

# Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

Vol. 3, No. 52

New York, N. Y., December 26, 1960

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\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

## Vendors End Leap Year Still Waiting at the Altar

This Week's

### Purchasing Perspective

DEC. 26-  
JAN. 1

**B**usinessmen asking "whither prices?" in 1961 may find a clue in the chart below. It depicts the probable course of industrial activity next year—a continuing sag during the early months of the year, followed by a sharp spurt that will carry into 1962.

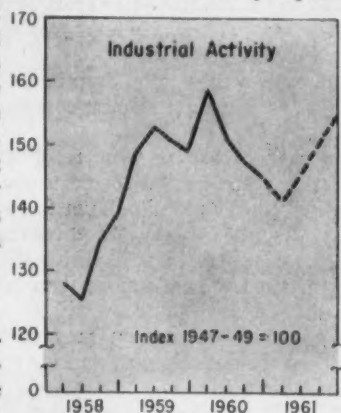
The chart also summarizes the McGraw-Hill Dept. of Economics' estimate of the 1961 business outlook, which forecasts a record year for total business in 1961 but doesn't necessarily promise 12 straight months of beer and skittles.

Marring a generally pleasant view of business are prospects of some setbacks at the start of the year, plus softness that will persist in some industries throughout 1961. On the whole, manufacturers whose price plans depend in large part on a general improvement in business conditions appear to be in for a few more months of fretting while awaiting a strong business acceleration.

The McGraw-Hill economists underscore the carry-over effect of 1960's splurge of inventory-cutting. The current absence of bustling business activity and the prospect of continued sluggishness reflect the reversal in inventory policies that began early this year. The loss of momentum brought on by the switch is clearly apparent in the current industrial product and Gross National Product indicators.

But now many purchasing men have signaled that they are nearing the bottom of their inventory cycle. Their earlier reductions—and to some extent their continuing inventory holdowns—will be a major stumbling block to really significant gains in the early months of 1961. But as inventories gradually are brought back into line with sales prospects, the currently lagging indicators—industrial production and GNP—will go higher than ever before.

A combination of four powerful economic forces support the  
(Turn to page 25, column 4)



### Impact of Imports Spurs New Calls To Buy American

**Washington**—An electronics industry trade association is appealing to purchasing executives to buy more American-made products.

The Electronics Industries Assns. distributed a "Buy American" booklet to 30,000 purchasing executives, design engineers, and other business executives. The booklet listed a number of advantages that would accrue to businessmen who buy from American producers instead of from overseas industrial goods suppliers.

The impact of foreign products on the American market also provoked speculation that Congress might consider creating a "Buy-American" Commission to study the problem, particularly as it affects the dollar-gold holding of this country. Reports from Wash-  
(Turn to page 27, column 1)

### Oil Eyes Tag Markups After Giving Pay Hike

**Dallas**—An attempt to increase oil product prices seems likely following a general 5% wage boost that goes to most oil company employees.

A "pattern" for general wage increases was set last week when Sinclair and the Oil, Chemical & Atomic Workers agreed to a pay increase of 5%, or about 14¢/hr. Most companies already had offered similar hikes, and acceptance was expected to be routine.

Continental Oil's president, L. F. McCollum, who estimates the higher wages would cost his company an additional \$4-million a year, said the general economic conditions of the industry did not justify the increase. Conoco has no choice but to attempt to recover the cost through higher product prices, McCollum said.

Other industry people were generally in agreement with McCollum, but there was doubt  
(Turn to page 27, column 3)

### Inventories and Prices Won't Budge Till Steel Peps Up, P.A.'s Predict

**New York**—Market competition, both domestic and foreign, will keep a lid on most industrial prices far into 1961. But steel—combined with labor and other material cost pressures—could blow the cap off for many companies by mid-year and perhaps sooner.

That's the consensus of a PURCHASING WEEK survey of scores of manufacturers of industrial products in a dozen major cities around the country during the past week.

Key executives, asked to assess the course of prices for their own companies, gave views pointing to this outlook: a near-term continuation of the current confusing mixture of scattered boosts and cuts (see Wholesale Price Index, p. 4)—but with a growing series of selective or "gentle" price increases keyed to demand in various industries. But not until business activity quickens and the down-at-the-heels steel industry starts perking up will the price picture change substantially.

The price plans of steel producers figured strongly in the general outlook of most business executives who pooh-poohed the suggestion that steel perhaps was slipping from its traditional position as the key indicator of the course of general industrial prices.

About 50% of the company spokesmen queried last week said they would seriously consider raising their own prices if steel posts increases next spring or summer.

Commented one Detroit maker of auto parts: "We're very concerned about the possibility of a steel price increase. We also know that steel producers are concerned about low production and increasing foreign competition... this makes the picture hazy." But he added: "We could not absorb a steel price in-  
(Turn to page 26, column 1)

### Kennedy Men Seen Keeping Pressure On Price-Fixing, Antitrust Violations

**Washington**—On the heels of the massive price-fixing suits against the electrical equipment industry, there are growing signs that the Federal Government is adding steam to price fixing probes into several industries.

And the new Administration is not expected to slacken the pace. Price fixing is traditionally a favorite target of Democratic trust-busters, Washington observers point out.

Probable or actual targets of Justice Dept. and Senate investigations:

- **Aluminum wire cable.** The Justice Dept. has sent out subpoenas to witnesses for an investigation in this material, largely on the strength of information received from Tennessee Valley Authority, the agency which touched off the electrical equipment probes.

- **Steel, cement, and chemicals.** Sen. Estes Kefauver's Antitrust  
(Turn to page 4, column 3)

#### GE-ingle Bells

**Phoenix, Ariz.**—General Electric celebrated a new-fashioned Christmas at its Computer Dept. here.

A GE 210 computer, fed by punched tape, played Christmas carols for the residents. The carols included "Adeste Fidelis," "Silent Night, Holy Night," and "Hark, the Herald Angels Sing."

### NAPA Begins Plugging Project to Raise Stature Of the P.A. of Tomorrow

**New York**—NAPA officials launched an all-out drive this week to win membership support for establishment of an organized national program to develop qualified "World of Tomorrow" purchasing executives.

It took the form of a detailed statement stressing the role of leading colleges and universities in the proposed \$600,000 five-year program for professional development (see PW, Dec. 19, p. 1). Other aspects of the program will be detailed in subsequent explanatory statements.

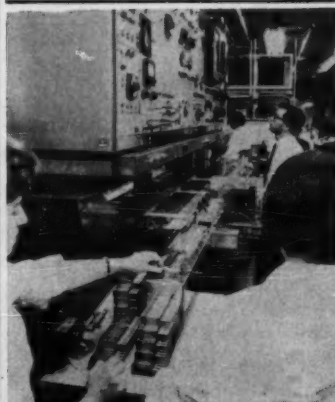
Calling for "prayerful consideration and direct action," NAPA Public Relations Chairman M. B.  
(Turn to page 25, column 1)

### One-Shot Action Bonds Urethane Foam to Steel

**New York**—A "self-curing" technique that bonds polyurethane to steel in a "one-shot" application has been developed for a furniture maker.

The bonding technique has been used for the first time in a new line of upholstered chairs to be marketed in January. It was developed by General Tire & Rubber Co. and Schnadig Corp. of Chicago, who claim that the process can be extended to other materials on a mass production basis.

The "self-curing" process applies molded urethane foam to steel supporting frames by a "one-shot" method that avoids high temperature baking, normally associated with urethane  
(Turn to page 25, column 2)



**THE NEW GENERATION:** General Instruments' new plant mass produces 'second and third generation' electronic devices (see p. 3).

## P/W PANORAMA

- **Computers Are Spawning a Revolution** that is going to affect everyone, from the one-man purchasing department to the billion-dollar concern. For an idea of what it all means and how to prepare for it, see the spread on pages 16 to 18.

- **No Holiday Time for New Products.** Manufacturers seeking to expand their markets are finishing the year strong. 'Product Perspective' on page 21 contains a rundown on some of the newest materials and an evaluation of their potential.

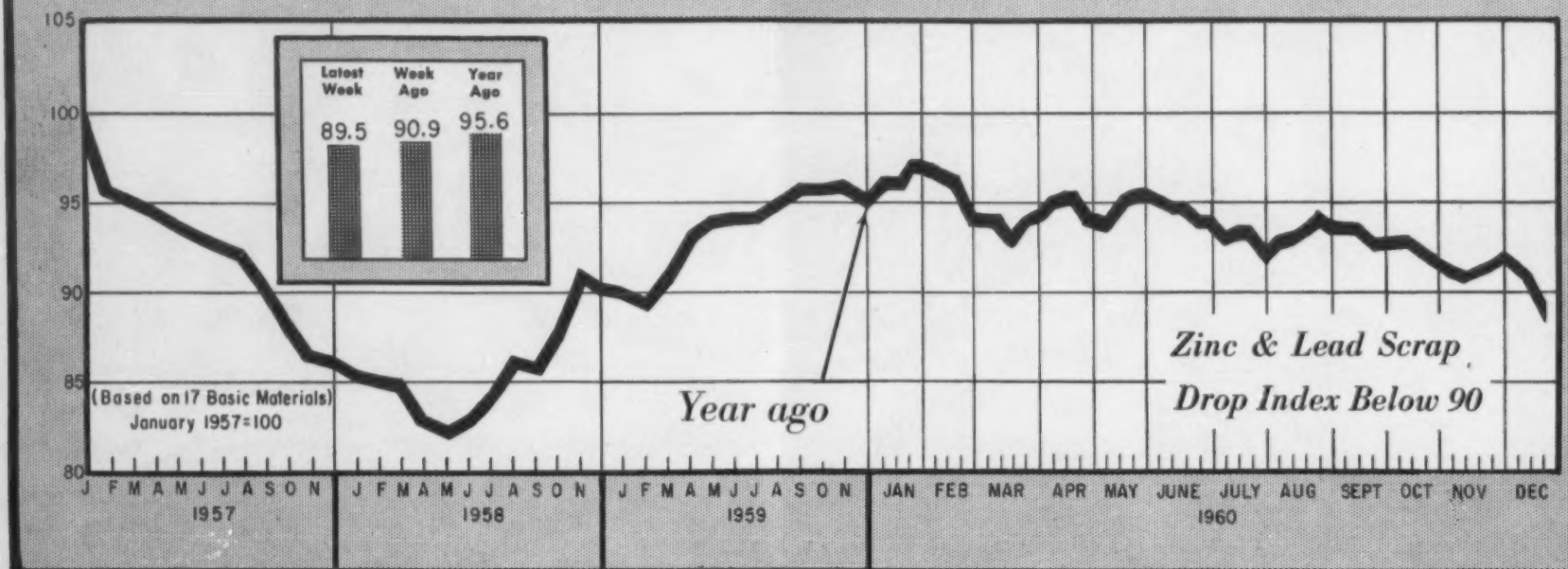
- **Textile Prices Are Unstable**, and promise to remain so, until business in general takes another upward turn. See the story on page 7 for an appraisal of the price outlook in textiles and what's behind the current unsettled conditions.

- **Profit-sharing in Industry** is being joined by a similar approach in the consumer market. The trailblazer is George Romney, with his bond rebate plan for purchasers of Ramblers. 'Price Perspective' on page 2 assesses the scheme.



## Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



## This Week's Commodity Prices

	Dec. 21	Dec. 14	Year Ago	% Yrly Change
<b>METALS</b>				
Pig iron, Bessemer Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.97	5.97	5.975	-.1
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	27.00	27.00	42.00	-35.7
Steel scrap, #1 heavy, del. Cleve., gross ton.....	25.00	25.00	41.00	-39.0
Steel scrap, #1 heavy, del. Chicago, gross ton.....	26.00	26.00	40.00	-35.0
Aluminum, pig, lb.....	26.00	26.00	26.00	0
Secondary aluminum, #380 lb.....	.23	.23	.239	-3.8
Copper, electrolytic, wire bars, refinery, lb.....	.296	.296	.339	-12.7
Copper scrap, #2, smelters price, lb.....	.233	.24	.26	-10.4
Lead, common, N.Y., lb.....	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.006	1.014	.99	+1.6
Zinc, Prime West, East St. Louis, lb.....	.12	.125	.125	-4.0
<b>FUELS†</b>				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.30	2.30	2.00	+15.0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.37	+10.5
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.05	2.05	2.15	-4.7
Lp-Gas, Propane, Okla., tank cars, gal.....	.045	.045	.05	-10.0
Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.126	.126	.116	+8.6
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.105	.105	.11	-4.5
Kerosene, Gulf, Cargoes, gal.....	.093	.09	.095	-3.1
Heating oil #2, Chicago, bulk, gal.....	.098	.098	.096	+2.1
<b>CHEMICALS</b>				
Ammonia, anhydrous, refrigeration, tanks, ton.....	94.50	94.50	88.50	+6.8
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.31	+9.7
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.134	.139	.188	-28.7
Glycerine, synthetic, tanks, lb.....	.293	.293	.293	0
Linseed oil, raw, in drums, carlots, lb.....	.162	.162	.176	-8.0
Phthalic anhydride, tanks, lb.....	.185	.195	.165	+12.1
Polyethylene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	17.50	18.10	13.10	+33.6
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.061	.06	.06	+1.7
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
<b>PAPER</b>				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.20	+3.2
Bond paper, #1 sulfite, water marked, 20 lb, carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	95.00	+5.3
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.25	+2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.60	6.60	6.30	+4.8
Old corrugated boxes, dealers, Chicago, ton.....	13.00	15.00	22.00	-40.1
<b>BUILDING MATERIALS†</b>				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.20	4.20	4.18	+
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	116.00	116.00	126.00	-7.9
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	129.00	129.00	137.00	-5.8
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	82.00	82.00	89.00	-7.9
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.....	68.00	68.00	72.00	-5.6
<b>TEXTILES</b>				
Burlap, 10 oz. 40", N.Y., yd.....	.140	.141	.104	+34.6
Cotton middling, 1", N.Y., lb.....	.323	.323	.332	-2.7
Printcloth, 39", 80x80, N.Y., spot, yd.....	.175	.179	.230	-23.9
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.215	.215	.235	-8.5
Wool tops, N.Y., lb.....	1.455	1.470	1.590	-8.5
<b>HIDES AND RUBBER</b>				
Hides, cow, light native, packers, Chicago, lb.....	.170	.170	.205	-17.1
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.289	.289	.422	-31.6

† Source: Petroleum Week † Source: Engineering News-Record

This Week's

## Price Perspective

DECEMBER 26-JANUARY 1

**LOWER STEEL DEMAND**—Lower 1961 auto sales, as predicted in a new government report, would have important repercussions on steel prices—if the forecast proves correct.

The report estimates a substantial drop in auto sales from earlier estimates—as much as 8%. This would mean a comparable decline in steel demand from automakers.

It could keep steel operations from reaching the 75%-80% of capacity that many experts think is needed to create the atmosphere for price hikes.

The growing substitution of aluminum for steel in autos is still another demand depressant spotlighted by the government report. Increased use of aluminum engines, for example, will push per car consumption of the light metal to 62 lb. in 1961. That's more than twice the 29.6 lb. used just 6 years ago in 1955.

**Another steel worry:** Aluminum may soon replace steel in bumpers. These new bumpers are undergoing extensive tests now and probably will be used on some 1962 models.

**A NEW APPROACH?**—The new American Motors' plan to give Rambler buyers a bond rebate is nothing more than a disguised price cut.

No matter how you slice it, it means a lower final purchase price—when and if Rambler sales reach specified volumes.

Proponents of this plan, however, see it as something more than just a cut. They feel it may prove a successful marketing technique which could stimulate over-all consumer demand for cars.

But proof of this stimulating effect won't come from any boost in Rambler sales. For any such increases might be offset by a drop in sales by other car makers. In other words, it would be "robbing Peter to pay Paul."

**The true test might come if and when all producers joined the rebate bandwagon.** Then any over-all increase in buying would be in true measure of the plan's success.

**BRASS ON A ROLLER COASTER**—Current unsettled brass mill picture is making for a rash of price changes—both up and down.

In the past 2 1/2 months, for example, copper water tubes underwent three changes—down when the price of copper was reduced 3¢/lb.; up when mills tried to stabilize the market; and down again when competition forced substantial discounting from list.

**Frustrated in copper water tubing, producers are now turning to plumbing brass goods (faucets, strainers, and brass tubular goods).** Thus, Bridgeport Brass started the ball rolling last week in announcing increases ranging from 3%-10% effective Jan. 9. It now appears likely that other producers will follow suit—to alleviate the growing profit squeeze in the industry.

**The big question, however, is: Will it stick?** According to Samuel Klein, treasurer of New York Plumbers Specialties Co., Inc., "It depends on imports. If the widening spread between domestic and foreign prices causes more users to switch to foreign components, I don't think it will stick."

"The spread could be held in check," he goes on to say, "by possible tariff increases which the industry is now pressing for."

**FOOD FOR THOUGHT**—Farming is one area where productivity is increasing smartly—thereby helping to keep a lid on farm tags.

Figures on crop production and acreage tell the story. Rising output (up 4% over the previous year) was achieved despite the fact that farm acreage declined by about 2%.

These two figures add up to a sharp 6% rise in the productivity of the agricultural segment of the economy.



## Dow Boosts Polystyrene Resin Price One Month After Industry-Wide Cut

**Midland, Mich.**—Dow Chemical Co., in a move to "stabilize the market," last week pegged the price of general-purpose polystyrene resins at 19¢/lb., 1 cent above the current price.

### Follows Price Cut

The move followed an industry-wide price cut last month which reduced tags to 18¢/lb. (See PW, Dec. 5, p. 1). At that time Dow was selling general purpose resin at 21¢/lb. The company went along with the price cut to the extent of instructing its sales offices to "meet competition," but it made no official announcement.

Commenting on Dow's move, William R. Dixon, general sales manager, said that "recent price trends cannot be justified" and are "unhealthy for the fabricator and supplier alike."

He declared the lower prices would bring about a reduction in the development of new uses by molders and of research and development by manufacturers, even after the acceptance of lower profit levels.

### Other New Prices

Dow also posted new prices on specialty (high-impact) resins, as follows: 21¢/lb., down from 26¢/lb.; high impact resins, 27.5¢/lb., formerly 28.5¢/lb., and extra high impact resins 38¢/lb., up from 35¢/lb. All prices are effective Jan. 1 and apply to

shipments of any quantity.

The price of polystyrene tumbled 3½¢ in November as the result of cuts plus incentive discounts. Competition and overproduction were cited as the chief causes for the adjustments.

Foster Grant and Monsanto led the way by offering incentive plans to buyers who ordered in truckload quantities, and Dow and Union Carbide followed soon afterward, stabilizing the price at 18¢.

## Tags on Mexican Crude Sulphur Rise \$2/Ton

**New York**—The price of Mexican crude sulphur went up \$2 last week. The two major domestic manufacturers—Texas

Gulf Sulphur Co. and Freeport Sulphur Co.—moved to meet the increase by cutting back the allowances they have been offering on their posted prices to meet Mexican competition.

These were the developments:

• **Pan American Sulphur Co.**, major Mexican producer, raised crude sulphur to \$22.50 per long ton of dark sulphur and \$23.50

for bright sulphur, f.o.b. Coatzacoalcos, V.C., Mexico.

• **Countermove by domestic manufacturers** can be seen in the action by Freeport, which cut the \$3.50/ton allowances on its posted port prices by \$2. Allowances of \$1.50 now apply to posted port prices of \$24 for dark, \$25 for bright.

The two producers give allowances on East Coast shipments because Mexican producers only ship to that area.

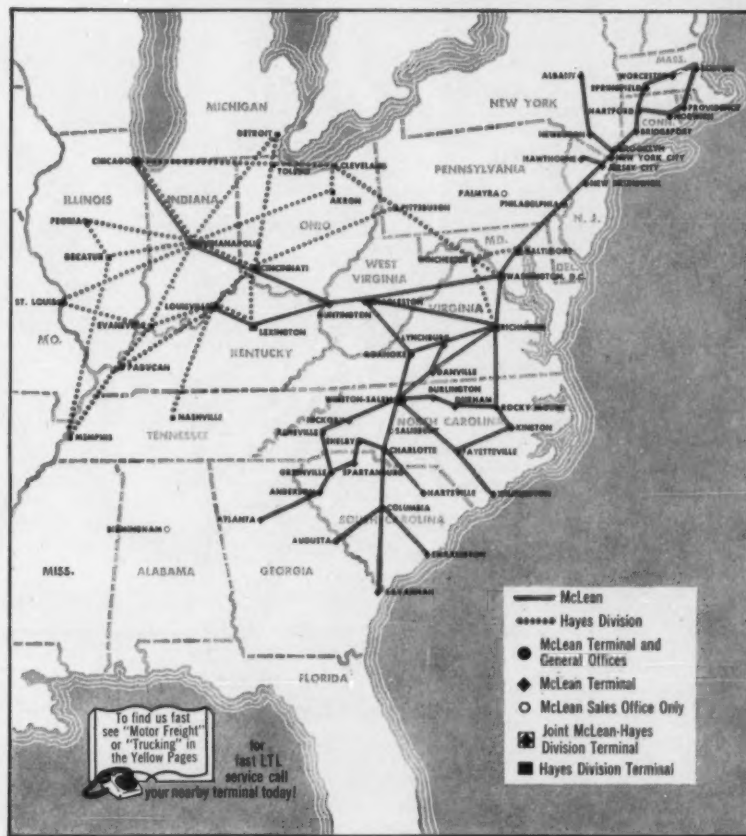
• **Mine prices** remain un-

changed by Freeport: \$22.50 for dark, \$23.50 for bright.

• **Prices f.o.b. Tampa terminal** will be raised \$2 per ton by Freeport in line with Pan American's \$2 increase in prices at Tampa, where all manufacturers quote a price plus terminal and freight charges. The new prices, including the \$2 increase will probably be: \$26.50 for dark, \$27.50 for bright.

Domestic producers welcomed the increase by Pan American for its strengthening effect.

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## Gen'l Instruments Opens Facility to Mass Produce Latest Electronic Devices

**Hicksville, N. Y.** — General Instrument Corp. has opened a \$3-million plant that will produce "second and third generation" transistors and other semiconductors.

The operation features automatic and semi-automatic production lines which the company says will reduce costs. These cost reductions will mean a "continuation of the trend toward lower prices for electronic components over the next several years," said Herman Fialkov, president of the firm's Semiconductor Div.

### 'Sophisticated' Transistors

The Hicksville plant will produce only the newer "sophisticated" transistors, solar cell diodes, and "microcircuits" for use in computers, satellite guidance systems, and various electronic military devices.

The minute germanium and silicon transistors now being produced here are said to perform the same functions as their "first generation" predecessors but with much greater speed and efficiency.

One component transistor to be made at the plant will operate at speed up to 20-billionths of a second—about 1,000 times faster than the best performance of its "first generation" counterpart.

The plant's machines can be "plugged-in" to a network of "feeder" lines at virtually any point in the production area permitting rapid changeover from one type of product to another.



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# Washington Perspective

DEC. 26-  
JAN. 1

Kennedy's first recommendations to the new Congress will have a dual purpose—to bring his promised "new frontiers" into closer view, and to lend a stimulus to the sagging economy.

The lineup will include a boost in the minimum wage to \$1.25 an hour, federal aid for school construction, medical care for the aged under Social Security, aid to depressed areas and some kind of a boost for the lagging housing industry.

If unemployment rolls continue to swell, these would be augmented by an anti-recession measure with the most immediate effect—extension of unemployment benefits.

All this will cost money, of course. If the entire program goes through (as seems likely), the extra cost would be \$1-billion to \$2-billion in the first year. Kennedy also will add \$1-billion to \$2-billion to military spending.

Despite his desire for a balanced budget, Kennedy will press for Congressional approval of his program—even if it means a deficit. And it most certainly will if business conditions continue soft.

But the economic slide has its legislative advantages: More congressmen will be inclined to support it.

More drastic and immediate anti-recession measures, such as temporary tax cuts or a massive public works program, will be recommended only as a last resort.

Aid to depressed areas will be among the first major bills to be pushed through Congress, if for no other reason than that it is certain of success. Congress passed such a measure last year, but it was vetoed by Eisenhower.

This probably will involve at least a quarter of a billion dollars in federal grants or loans to help build new plants and retrain "obsolete" workers.

School aid is likely to take the form of as much as half a billion dollars in each of several years in federal funds, but purely for construction purposes. Such a bill almost succeeded last year against White House opposition.

There is too much opposition in Congress to include aid for teachers salaries. This will wait for later.

More funds for housing and urban renewal are in the legislative program being worked out by Kennedy's aides. Also in view are lower down payments on FHA mortgages.

In the slightly more distant future, Kennedy will ask Congress to create a new cabinet-level post—Secretary of Urban Affairs. This department would be given jurisdiction over housing, urban renewal, transportation, and water pollution problems, among other things.

Medical care for the aged played a big part in Kennedy's campaign for the Presidency. He is not likely to back down now on his stand that it be financed through Social Security, not general treasury revenues. His chances of success are good.

Kennedy intends to present his spending programs as needed stimulants to the economy on grounds that he inherited a serious recession. He will seek Congressional and public support for welfare and education measures as an investment in human resources that will pay off in future years.

As the program unfolds, and particularly if the recession seems to be deepening, he may seek new and expanded tax incentives for private industry in the form of improved depreciation allowances on capital investment.

## Weekly Production Records

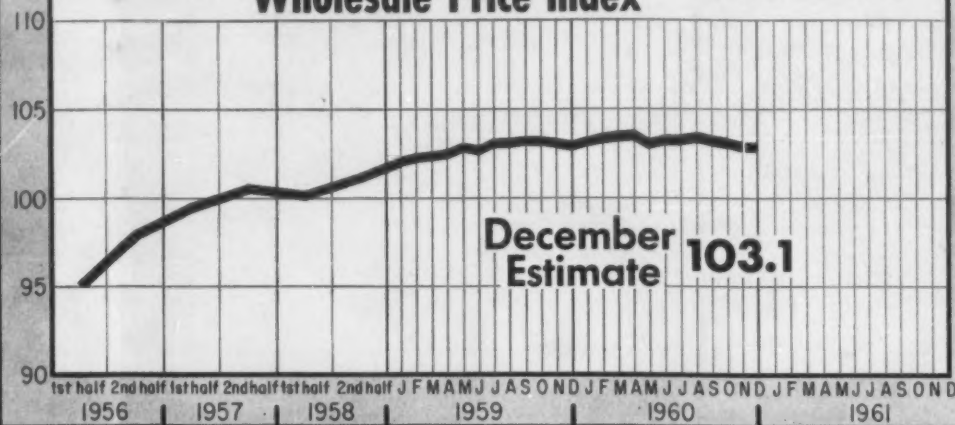
	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,335	1,387*	2,641
Autos, units	138,144	142,407*	159,573
Trucks, units	24,098	23,564*	23,124
Crude runs, thous bbl, daily aver	7,927	7,887	8,071
Distillate fuel oil, thous bbl	12,924	12,859	13,018
Residual fuel oil, thous bbl	6,644	6,658	6,929
Gasoline, thous bbl	28,602	28,771	29,331
Petroleum refineries operating rate, %	80.2	79.7	83.0
Container board, tons	150,212	161,232	160,904
Boxboard, tons	94,443	96,315	94,649
Paper operating rate, %	93.9	93.3*	97.0
Lumber, thous of board ft	203,658	203,935	246,696
Bituminous coal, daily aver thous tons	1,259	1,221*	1,529
Electric power, million kilowatt hours	15,021	14,604	14,150
Eng const awards, mil \$ Eng News-Rec	443.9	300.9	408.1

\*Revised

January 1957 = 100

## Purchasing Week's Wholesale Price Index

Nov. 1960 103.1  
Oct. 1960 103.3  
Nov. 1959 103.2



The downward drift in PW's industrial wholesale price index continues, with declines outnumbering increases by 12 to 7. Most price changes were slight, the only substantial ones being cuts for cotton broadwoven goods (-2%), paperboard

(-2.6%), and wire and cable (-1.6%). Firmer lumber millwork tags and a price-easing trend for this category that had been going on since last July. Index should stay around the same level in Dec. with nonferrous cuts offsetting heating oil hikes.

## This Month's Industrial Wholesale Price Index

Item	Latest Month	Month Ago	Year Ago	% Yrly Change	Item	Latest Month	Month Ago	Year Ago	% Yrly Change
Cotton Broadwoven Goods	99.0	101.0	102.9	- 3.8	Pumps & Compressors	112.4	112.4	111.8	+ .5
Manmade Fiber					Industrial Furnaces & Ovens	122.2	122.2	121.2	+ .8
Textiles	95.6	95.6	99.0	- 3.4	Industrial Material				
Leather	110.1	111.2	117.7	- 6.5	Handling Equipment	107.6	107.5	106.1	+ 1.4
Gasoline	99.4	99.7	92.6	+ 7.3	Industrial Scales	115.7	115.7	115.2	+ .4
Residual Fuel Oils	82.6	82.6	72.0	+14.7	Fans & Blowers	105.1	105.1	104.3	+ .8
Lubricating Oils	111.0	111.0	100.2	+10.8	Office & Store Machines & Equipment	105.5	105.2	105.0	+ .5
Inorganic Chemicals	103.5	103.7	102.4	+ 1.1	Internal Combustion Engines	104.5	104.2	103.2	+ 1.3
Organic Chemicals	98.0	98.0	99.4	- 1.4	Integrating & Measuring Instruments	121.3	121.3	117.6	+ 3.1
Prepared Paint	103.5	103.5	103.4	+ .1	Motors & Generators	100.5	100.6	103.2	- 2.6
Tires & Tubes	95.0	95.0	89.6	+ 6.0	Transformers & Power Regulators	96.6	96.6	102.1	- 5.4
Rubber Belts & Belting	108.7	108.7	105.6	+ 2.9	Switch Gear & Switchboard Equipment	104.0	104.1	108.6	- 4.2
Lumber Millwork	105.5	105.1	107.3	- 1.7	Arc Welding Equipment	109.1	109.1	103.2	+ 5.7
Paperboard	97.2	99.8	99.8	- 2.6	Incandescent Lamps	130.9	130.9	130.9	0
Paper Boxes & Shipping Containers	105.2	105.2	101.9	+ 3.2	Motor Trucks	105.6	105.5	106.2	- .6
Paper Office Supplies	103.2	103.2	101.9	+ 1.3	Commercial Furniture	106.9	106.9	105.8	+ 1.0
Finished Steel Products	108.8	108.8	109.2	- .4	Glass Containers	101.3	101.3	106.3	- 4.7
Foundry & Forge Shop Products	108.3	108.3	108.0	+ .3	Flat Glass	97.6	97.6	99.7	- 2.1
Non Ferrous Mill Shapes	98.2	97.8	98.4	- .2	Concrete Products	104.3	104.3	103.7	+ .6
Wire & Cable	87.6	89.0	95.3	- 8.1	Structural Clay Products	107.7	107.7	106.6	+ 1.0
Metal Containers	104.1	104.1	103.7	+ .4	Gypsum Products	104.7	104.7	104.7	0
Hand Tools	112.7	112.5	110.3	+ 2.2	Abrasive Grinding Wheels	94.8	94.8	94.8	0
Boilers, Tanks & Sheet Metal Products	101.4	101.6	102.1	- .7	Industrial Valves	113.9	115.0	116.6	- 2.3
Bolts, Nuts, etc.	106.3	106.3	110.5	- 3.8	Industrial Fittings	89.9	90.4	106.4	-15.5
Power Driven Hand Tools	108.4	108.6	108.3	+ .1	Anti-Friction Bearings & Components	90.8	90.8	91.9	- 1.2
Small Cutting Tools	118.5	118.5	111.7	+ 6.1					
Precision Measuring Tools	109.5	109.5	109.1	+ .4					

## Kennedy Men Seen Pressuring Price Fixers Anew

(Continued from page 1)  
and Monopoly Subcommittee is understood to be preparing a report which is said to show patterns of identical bidding on these and other basic commodities. Information is based on bids submitted to government agencies, primarily the Defense Dept. and TVA.

Subcommittee staffers are cataloging the information and within the next week or so should be ready to present the data to the subcommittee. A spokesman said the group then will decide "where we go from here." Approval of the subcommittee is necessary before the report can be published and released to the public.

• **Drugs.** Sen. Kefauver is also pondering introduction of legislation in the next session of Congress aimed at bringing drug prices down. However, associates of the Tennessee Democrat stress he is not considering any measure

which would bring drug prices under federal control.

Rather, said one, "He is trying to strike at practices which foster monopolistic practices from which high prices come." Current patent regulations and promotional "abuses" of trademarked ethical pharmaceuticals are possible examples of where Kefauver will turn.

• **Rock salt.** A federal grand jury in Springfield, Ill., is now hearing evidence on rock salt bids submitted to hundreds of cities.

Robert A. Bicks, head of the Justice's Antitrust Division, has acknowledged that investigations also are proceeding in other industries. Bicks' staff is gathering evidence for submission to Federal grand juries for investigations of what are presumably basic industries dealing in either major manufactured products or important raw material.

There has been little indication

of how the Antitrust Division will shape up under the Democratic Administration and the new Attorney General, Robert F. Kennedy. But knowledgeable Washington observers look for Kennedy's trustbusters to build on the groundwork which Bicks' staff has laid in the price fixing area because illegal price practices tie in closely with President-elect Kennedy's stress on economic issues.

### Keeps Prices High

These observers feel illegal pricing tends to keep prices unnaturally high, adding to the threat of inflation. Furthermore, they believe an attack on price fixing would fit in well with one of the Administration's major problems: the dollar outflow. Unnaturally high prices tend to hamper American goods in the world market, they reason, adding to curtailment of American exports and encouraging imports of goods into this nation from other countries.



# WASHING

WHEN THE PROBLEM CALLS FOR PAINT THE BEST ANSWER  
IS INVARIABLY **Barreled Sunlight**

ENGINEERED *Paints*

**Washability** is a major consideration in the selection of industrial paints — particularly where good housekeeping practices and high visibility standards demand frequent floor, wall and ceiling "scrubdowns".

**The trick is** to select paints which not only resist the abrasive action of water

and cleaning compounds but which are *engineered* to provide maximum painting economy as well. And *this* is why the recommendations of Barreled Sunlight Engineered Paint representatives are acted upon so many times in so many plants. On job after job, the paints they recommend more than meet the toughest tests . . . *invariably* pro-

vide a better looking, longer lasting paint job at lower cost.

**It will cost you less** — now and in the long run — to talk over your plant paint requirements with a Barreled Sunlight representative. The coupon below is your invitation for a free consultation without obligation.



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Contains complete information on Barreled Sunlight Exterior and Interior Finishes, Colors, Primers, and Thinners plus full application and special resistance data.

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☐ Please send me your new "Slide Guide" to Barreled Sunlight Paints.

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City.....Zone.....State.....

Purchasing Week



## Zinc Prices Drop Second Time in Two Weeks

New York—Zinc prices dropped another 1/2¢/lb. last week. The latest cut brings the price of zinc to 12¢/lb. (East St. Louis delivery).

A similar 1/2¢/lb. reduction was made the previous week.

Zinc alloy prices were also affected by the decline, with leading manufacturers placing another 1/2¢ reduction on top of the 3/4¢ cut that accompanied the first drop in slab prices.

Here are the new tags for die cast alloys: 15¢ for the key No. 3 alloy, 15 1/2¢ for No. 2 alloy,

and 15 1/4¢ for No. 5 zinc alloy. New Jersey Zinc Co. said that the No. 5 alloy price also will prevail for its new alloy, Zamak 7, which it introduced last week.

The new No. 7 alloy, developed with basically the same alloying ingredients as No. 3 and No. 5, is said by the company to produce smoother finishes which will result in "substantial reductions" in pre-plating costs.

The second cut in zinc prices made the 1¢ total reduction in slab zinc equal to the 1¢ cut in lead prices of two weeks ago.

The Interior Dept., meanwhile, in a review of the 1960 lead-zinc industries, urged that voluntary curbs on world production of lead be continued in 1961, but said that zinc output should continue unrestricted. Voluntary curbs by Canadian and Australian producers had helped cut the world lead surplus, the department said, but the situation was still unstable. U. S. lead consumption was 1,047,000 tons in 1960, 4% less than 1959. Zinc consumption was 956,000 tons, 9% under 1959.

## Alcoa President Hints at Price Hike To Counter Industry's Rising Costs

Pittsburgh—A hint that aluminum prices may be raised in 1961 came last week from Lawrence Litchfield, Jr., president of the Aluminum Co. of America.

In a year-end statement, Litchfield declared that although his company has no definite pricing plans for next year, relatively strong demand plus rising costs could boost aluminum tags above current low levels.

"We hope that the pricing low point was touched this year and

that firmer prices, at higher levels, can be established during 1961," he said. "Demand for aluminum products remains so strong we'd all be in good shape if price levels were such as to make possible an adequate return on the industry's very large investment."

A great deal of the pressure for higher aluminum prices has come from rising labor costs. Last year workers received an 11 1/2¢/hr. wage increase. This was followed almost immediately by price boosts averaging from 1/2¢/lb. to 3/4¢/lb. Next Aug. 1, workers are scheduled for another wage hike of almost 9¢/hr., and this could spark still another round of price increases.

### Excess Capacity

Litchfield pointed out that excess capacity in the industry has been a major factor in keeping prices low. Aluminum companies are attempting to solve this problem through selective product development and marketing programs, he said. The programs should move aluminum demand into a closer balance with supply when the general economy becomes stronger, he added.

The Alcoa president also noted that total demand for aluminum in all forms during 1960, as measured by U.S. shipments to domestic and foreign producers, will hit approximately 2,300,000 tons. This represents a drop of about 7% below the record demand of 2,480,000 tons in 1959. However, it still would make 1960 the second best year ever in the industry's history.

Litchfield attributed the 7% drop to sizable inventories built up in 1959 by users of aluminum in anticipation of an industry-wide strike that never came off. In another year-end prediction by a major aluminum producer, R. S. Reynolds Jr., president of Reynolds Metals Co., also pointed out that "customers' inventory levels are nearing the bottom." Reynolds predicted that aluminum shipments will increase during 1961. He cautioned, however, that "some decline in exports from record 1960 levels may be expected to offset gains in the domestic area."

"Any significant upturn in business activity, particularly in the durable goods sector, should be accompanied by a sharp rise in the aluminum industry, which traditionally rebounds faster than the rest of the economy."

### Copper Scrap Tags Dip

New York—Domestic custom smelters cut the price of copper scrap 1/4¢/lb.—the third reduction in less than a week. The cut brought the price of the key No. 2 grade down to 23 1/4¢/lb., the equivalent of 28 3/4¢/lb. for refined copper processed from the scrap and ready for delivery in three months.

One reason for the cut, industry observers said, was a drop in copper prices on the London Metal Exchange. Copper dropped 1/4¢/lb. to a price of 28.22¢/lb. for immediate delivery on the exchange. In addition, continuing fair sized scrap offerings from dealers plus a lack of demand for refined copper were cited.

## HANDY & HARMAN SILVER BRAZING Permits Manufacturer to Guarantee Underwater Air Regulator For Life



Perhaps the most vital component of a skin diver's equipment, this Viking Air Regulator, manufactured by Christensen Tool & Engineering Company, Norwalk, Connecticut, is structurally guaranteed for life. It must, under all conditions, be absolutely leaktight. The manufacturer's guarantee is a relatively recent achievement—through the high-strength help of silver alloy brazing with Handy & Harman EASY-FLO 45 and HANDY FLUX.

Over and above the unreserved dependability of brazed joints, the brazing method itself has saved the company considerable time, money and material in the production of the Viking Air Regulator. Brazing's simplicity is interestingly illustrated in this case by this company's require-

ment that assemblers and testers of the Viking must be skin divers themselves.

Almost invariably, silver brazing effects economies and brings advantages to whatever part, product or assembly it is applied. True, air regulators are few and far between, but the point is that they are metal products, made of a number of different metal components.

And that's the phrase that covers brazing's great adaptability. To give you a good idea of how you can put brazing to work, we'd like to send you Bulletin 20—it covers the basics of brazing and it may very easily solve your metal-joining problems. Handy & Harman, 82 Fulton Street, New York 38, N. Y.

Here, in "serial" form is how the guarantee  
is "brazed" into the Viking:



1. TANK HOUSING—Initially, this component was mechanically joined and made "airtight" by means of sealants. Now, brazing eliminates 8 holes, 4 tapping operations, 4 screws and 3 assembly operations.



5. Shown here are the finished Viking components before and after assembling. —Brazing by Specialty Brazing Laboratories, Riverside, Connecticut.



2. FORK ASSEMBLY—There are five separate brazed joints, done with hand torch and hand-fed wire. Brazing eliminates one tapped hole, a lock washer and a spacer, plus the fact that positive alignment is now guaranteed.



3. YOKE—This is assembled from stampings instead of castings, which were previously used. With brazing, no secondary finishing operations are required. Further, the part is stronger and lighter, and savings on material and labor on this component alone add up to 28%.



4. PISTON—This is the most important single element of the Viking. It regulates flow of oxygen from cylinder to mouthpiece; from 300 lbs. pressure to normal breathing. Without brazing, this part could not be made.

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## Cautious Buying Puts New Pressure On Drifting Industrial Textile Prices

**New York**—Textile tags, still dominated by the industry's recessionary outlook, continue their downward drift, with industrial fabrics and bellwether print cloth tags leading the declines.

Industry analysts don't hold out much hope for a reversal of this downtrend until the general economy emerges from its present doldrums. But when the upturn does come, they look for a quick price recovery.

These hopes are based mainly on the fact that mills have been keeping a tight rein on production, which means that they won't have excessive inventories to work off when demand picks up.

Industrial textile prices had been holding fairly steady in the face of slow demand up to a month ago. But late in November prices broke.

Sheetings dropped  $\frac{1}{2}\text{¢}$  to  $1\frac{1}{2}\text{¢}/\text{yd.}$ , sateens cuts ranged from  $1\frac{1}{4}\text{¢}$  to  $5\text{¢}/\text{yd.}$ , some wide drills fell  $3\frac{1}{2}\text{¢}/\text{yd.}$ , osnaburgs tumbled  $2\text{¢}$  to  $2\frac{1}{2}\text{¢}/\text{yd.}$ , and grade A 8-oz. duck and twills dropped  $1\frac{1}{2}\text{¢}$ – $2\frac{1}{2}\text{¢}/\text{yd.}$

Apparently this was what customers were waiting for. Hand-to-mouth purchases changed into a flurry of buying activity as orders were placed by automotive firms and coating firms selling to the furniture and shoe industries.

### Price Still Not Firm

The stepped-up buying in this area hasn't firmed prices, though, and mills are still shading their quotes downward to maintain sales volume. Last week's quotes show another  $\frac{1}{2}\text{¢}$  drop for the 58" 1.21 sateen (priced at  $55\frac{1}{2}\text{¢}/\text{yd.}$ ) and a further cut of  $2\frac{1}{2}\text{¢}$  for the 53" 1.12 sateen (quoted at  $57\frac{3}{4}\text{¢}/\text{yd.}$ ). Broken twills were selling at the low end of their price range.

The latest buying flurry doesn't signal any sustained pickup in demand. For one thing, customers are still paring their inventories. In addition, auto industry demand is expected to drop, because of high inventories of '60 and '61 models.

Moreover, customers continue to exert strong pressure for further price cuts. According to reports, inquiries have picked up for a number of wide industrial fabrics, but at prices lower than mills are willing to take.

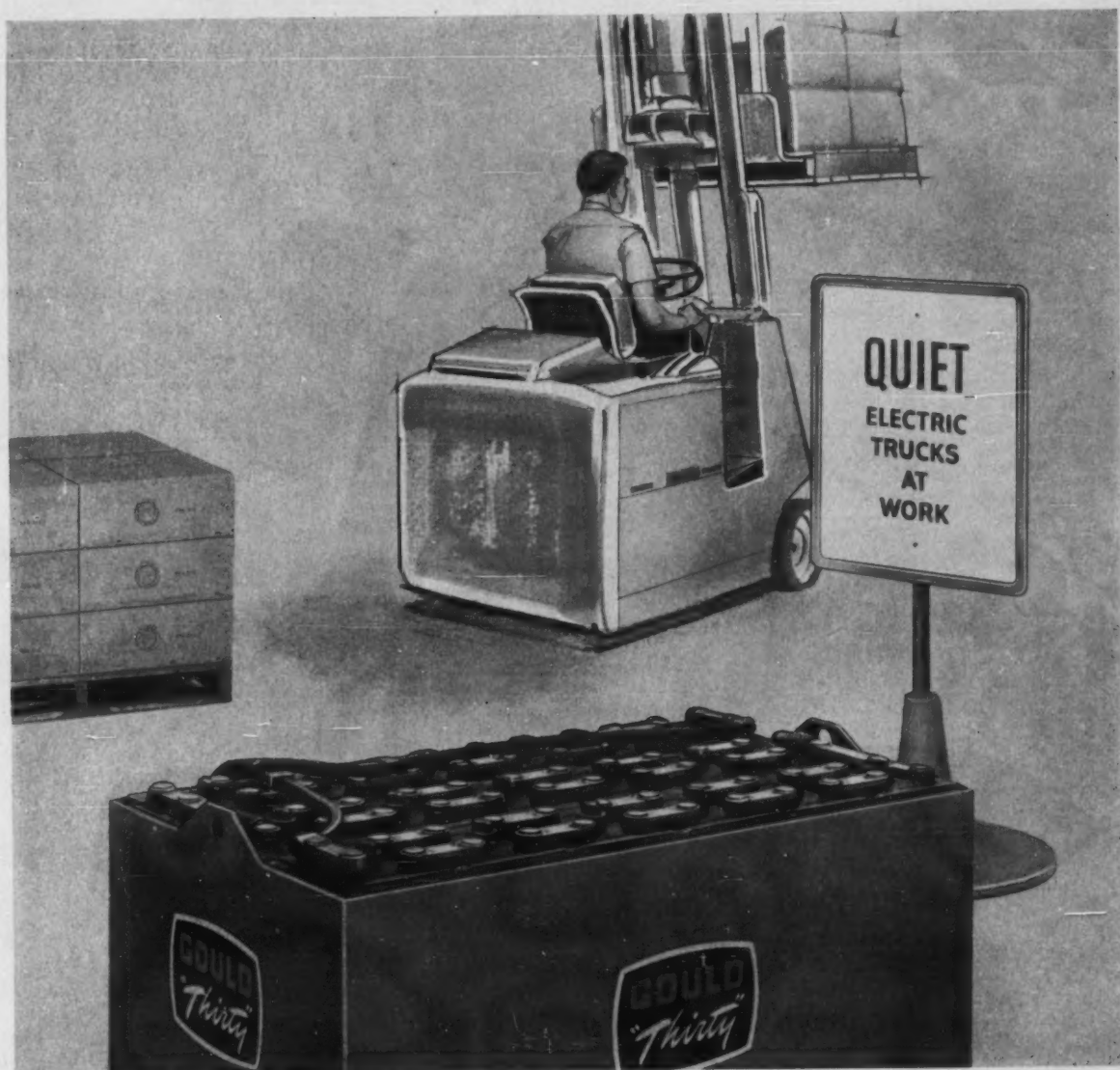
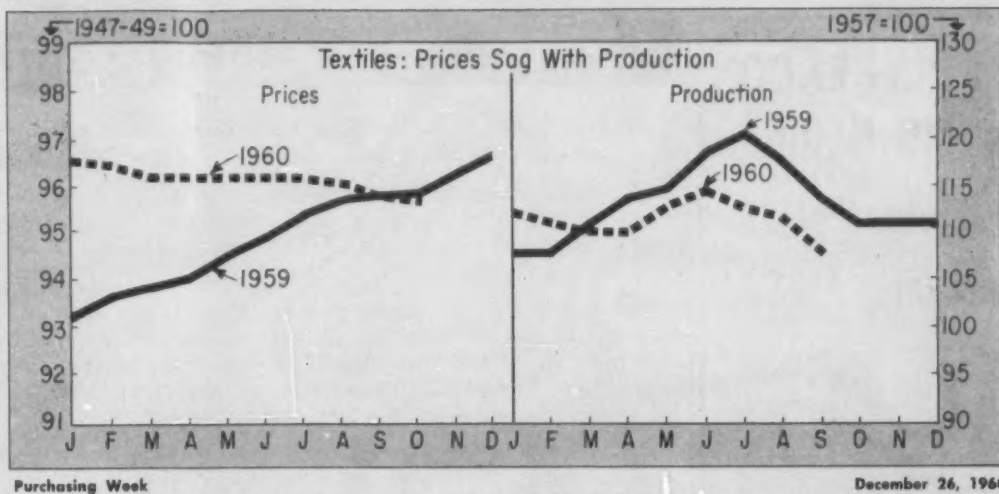
In the consumer end of the industry, forecasts are optimistic about demand for apparel and home furnishings. Industry observers see 1961 apparel sales volume equalling this year's brisk pace, and home furnishing demand up 4% to 5% in line with the expected increase in housing starts.

But again cautious buying policies are expected to hold down cloth tags. Bellwether print cloth prices, for example, which have slumped more than 22% since the beginning of the year, are being pressured still further down. As of last week, purchasers were offering to buy for 1st and 2nd quarter delivery at  $\frac{1}{2}$  to  $\frac{3}{4}\text{¢}/\text{yd.}$  under mills' asking prices.

Selective demand strength is being exhibited by some synthetic fibers against the background of general textile price easiness. DuPont and Chemstrand an-

nounced price increases of 12% for Lycra (an elastic synthetic) on Dec. 1,  $2\text{¢}/\text{lb.}$  for type 42 Orlon (Dec. 6),  $4\text{¢}/\text{lb.}$  for Dacron filament (Dec. 8), and  $2\text{¢}/\text{lb.}$  for Acrilan (Chemstrand's staple and tow acrylic) on Dec. 12.

All these tag boosts came for those deniers headed for the apparel, knitwear, and home furnishing markets. Prices were not raised for the industrial-use deniers of these synthetic fibers.



## Electric Trucks REDUCE NOISE LEVELS

Quiet operation of battery-powered electric trucks eliminates distraction and annoyance to workers performing other production work. Quiet operation is an outstanding advantage when it is necessary to give verbal instructions to truck operators or to signal them by a dispatch system. Finally, quiet battery-powered electric truck operation is a valuable safety factor—the operator can concentrate better on activity around him.

Add quietness to a convincing list of other benefits—lower operating cost, less maintenance, clean and safe operation—and you can see why users prefer electric trucks for modern, efficient materials handling.

Electric truck users generally agree on one other point, too—Gould Batteries for longer life. With the vital new Silconic Plate, Gould Batteries offer up to 25% longer life through prevention of grid corrosion.

Join the list of satisfied users who prefer this ideal combination of battery-powered electric trucks and Gould Batteries. For more complete information, write or call the local Gould representative nearest you. Ask for booklet "Why We Use Battery-Electric Industrial Trucks." Gould-National Batteries, Inc., Trenton 7, N. J. In Canada, write to Gould-National Batteries of Canada, Ltd., 1819 Yonge Street, Toronto, Ontario.

More Power to you from **GOULD**



## POLYPENCO® MC Nylon Another Polymer **FIRST!**



**Outstanding new bearing material costs up to 50% less than standard nylon**

Tubular bars of MC Nylon—newest product of continuing Polymer research—are now selling at prices up to 50% below standard nylon. MC Nylon provides new design opportunities and fabricating economies to makers and users of large bronze bushings. In tubular bars, the specially formulated bearing material costs less than quality bronze bushings of similar size. It has standard nylon's desirable physical properties with improved wear characteristics and resistance to deformation under load verified by field tests.

### TUBULAR BAR STOCK SIZES

MC Nylon tubular bars, the first standard availability in MC Nylon, are made in outside diameters ranging from 2" to 15". Wall thicknesses of  $\frac{3}{8}$ ",  $\frac{1}{2}$ ",  $\frac{3}{4}$ " and 1" are standard with wall thicknesses up to 2" made to order. Standard lengths up to 13".



### ROD AND SLAB

Rod up to 17" in diameter, and slab from 1 to 5 inches thick in sections of 2 ft. x 3 ft. are available on special request. Other symmetrical shapes—produced with new economy—and in larger sizes than heretofore produced—are under development.

Call or write today for full information.



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## P/W TRANSPORTATION MEMOS

**ON THE WATERFRONT:** Look for a tougher stand by dock labor on the issue of automation.

Despite the recent arbitration settlement at the Port of New York—which created a scale of royalty payments for containers loaded away from the piers by non-ILA labor—the union is far from happy over the outcome.

One indication of this was the dissenting opinion of Thomas W. Gleason, the union representative on the arbitration board, challenging the scale of payments. The ILA had asked for royalties ranging from \$1.50 to \$3/ton based on the size of the container and taking into consideration weight and contents.

The award set up payments ranging from 35¢/ton to \$1/ton, using the degree of ship conversion to container-carrying as the criterion. Said the ILA organizer, "I regard such a distinction among types of vessels as an open invitation to chiseling evasion of the higher royalty levies imposed on the larger cargo-carrying containers."

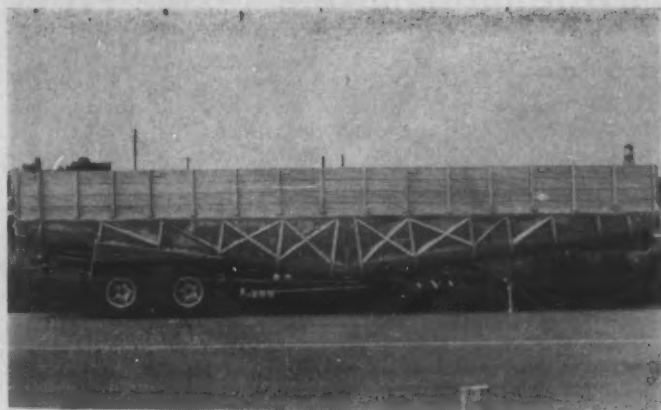
Gleason also criticized the board's failure to define the types of containers that are subject to royalty fees. The omission of such a definition will mean another source of union-management conflict, the ILA executive said.

Following the award, the ILA was quick to open a drive to extend the royalty pattern to other ports (see PW, Dec. 5, '60, p. 1). The ILA undoubtedly will use the settlement as a bargaining point and push to close the present loopholes in order to tighten its grip over unitized freight.

**PIGGYBACK INTERCHANGE:** Now that REA Express (formerly Railway Express Agency) has set up a national pool of trailers on a daily rental basis, shippers will be able to step up their use of piggybacking.

Until now, one of the major blocks to full exploitation of piggybacking has been the problem of dead-heading and lack of a coordinated system of trailer interchange.

"REA Leasing has moved to fill this gap through a centrally controlled system of multiple users," said REA president William



**DUAL CARGO TRAILER:** Designed to eliminate unprofitable dead-head runs, 42 ft. trailer (above) features 710 cu. ft. dry cargo space over low-slung 7,250 gal. tank. Removable aluminum side boards and hinged tailgate enclose dry cargo area; corrugated tank top provides flooring (left). Other flooring surfaces available. Two-way trailer can carry 42,600 lb. payload; weighs 10,715 lb. empty. Made by Standard Steel Works, North Kansas City, Mo.

B. Johnson, "and this should give considerable impetus to an accelerated growth of piggybacking."

The firm will handle licensing of pool trailers, cover all tire expense, absorb trailer damage over \$100, and provide all maintenance and repair.

Johnson noted that if both idle time and empty movement of trailers can be reduced by, say, 20% the pool operations would provide a 30% increase in revenue movements with the same number of trailers.

**UNLOADING CHARGE SUSPENDED:** Eastern Central Motor Carriers Assn.'s tariffs setting up unloading charges on export freight at North Atlantic ports have been suspended by the ICC. The rules would set a 16¢ cwt charge on LCL freight, 13¢ on truckload quantities, and a \$2 on minimum charge shipments. They also would require shippers or consignees to make loading arrangements with terminal operators or pay the charges.

**WHISTLESTOPS:** United Air Lines reports its cargo capacity increased 130% during 1960 with the conversion of six DC-7s and the addition of jet aircraft . . . **181 water-side sites** for industrial plant locations were built during 1960, according to figures supplied by the American Waterways Operators, Inc. . . . **REA Express** has opened a new terminal in Lakeland, Fla. . . . **The nation's trucking companies** probably will double their volume of business by 1975, predicts a study on motor carrier industry prepared by Shields & Co. . . . **Capital expenditures of U.S. railroads** this year are expected to be \$951.8-million, up 16.4% over the \$818-million spent last year.



Though the weather outside was frightful...  
**M&D kept 'em rolling!**

Last winter, during the heavy snows, Mason and Dixon shipments went right through, while in many areas, most highway traffic was forced to a standstill. Mason and Dixon's service and facilities are geared to serve you better in every way. Daily through-loading of all LTL freight speeds your goods to their destination quickly, safely, economically. In planning your shipments for the coming bad-weather months . . . be safe, be sure . . . specify Mason and Dixon!



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1960 CALENDAR  
OF  
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COMMEMORATING EUTECTIC'S

20<sup>th</sup>

ANNIVERSARY OF SERVICE TO INDUSTRY

New Products... New Processes... New Plants...

New Service and Training Centers... New Program

of Packaging... New Expanded Services





JANUARY



### EXPANSION OF EUTECTIC WELDING INSTITUTE

1960 began with expansion of EUTECTIC's service to industry through increased scope of the Eutectic Welding Institute. Local area Service and Training Centers were increased to 17, thus bringing welding educational facilities to localities across America... and the expansion continues!

FEBRUARY



### NEW EUTECTRODE® 680 FOR IMPROVED STEEL WELDING

New improved version of "the weldor's ace electrode" for steel. Features: even greater versatility; handling high alloy, carbon, "problem" steels better than ever before.



MARCH



### Revolutionary Cast Iron Welding Process

An engineering "break-through" in cast iron welding, the "QuenchWeld" Process features a three-step quench method needing no pre-heat of the base metal... biggest progress in years!



APRIL



### New Service and Training Center

Minneapolis, Minnesota became scene of a new service to mid-west industry: new Eutectic Service and Training Center, offering free welding courses and stocking complete line of over 200 "Low Temperature Welding Alloys"®.

MAY



### NEW PASTE-TYPE WELD CLEANING COMPOUND:

### EUCLEEN®



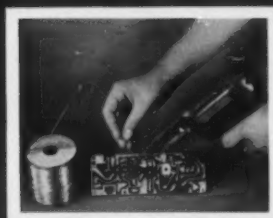
First paste-type all-purpose cleaner for practically all metals. Excellent for cleaning both before and after welding... removes rust, heat tint, discoloration, surface oxides... makes the metal shine.

JUNE



### NEW PRODUCT: NEU-TEC-TRONIC™ 157BN, Electronic Aid

Electronics industry gets another "break-through" with "157" formulation now with neutral flux core. Advantages: easy to use, superior strength, high electrical conductivity, excellent resistance to shock.



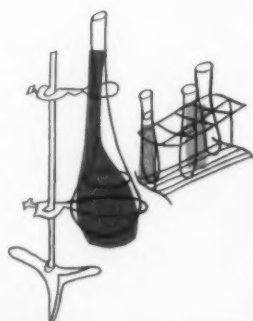
JULY



### new product: First Flux-Coated Silver Brazing Alloy

Eliminates Need for Separate Fluxes

Another research advance: EutecSil® 1020FC, world's first flux-coated silver brazing alloy, brought greater ease of silver brazing to both maintenance weldors and general "fix-it" men. New alloy combination from core to coat... eliminates flux mixing, application, and drying time, as well as keeping flux in stock.



AUGUST



### NEW PLANT: FROM ORE TO FINISHED PRODUCT

With a great new affiliated plant, Eutectic became the world's first welding alloy manufacturer capable of producing welding rods and electrodes from virgin metals to finished products in any alloy. The new plant contains complete production facilities plus extensive research capabilities... an example of EUTECTIC's leadership.



SEPTEMBER



### new facilities... more service

September brought fresh evidence of EUTECTIC's leadership... of growth to serve growing industry needs. Ground was broken for a new building in Flushing that will provide greater service, greater research than ever. Another step in EUTECTIC's unique program of service through constant expansion.



OCTOBER



### NEW SERVICE AND TRAINING CENTER

The new Philadelphia Service and Training Center is an exceptionally complete facility serving Middle-Atlantic area with overnight deliveries as well as local over-the-counter; free welding courses under Eutectic Welding Institute.



NOVEMBER



### First AC-DC Cutting Electrode: CHAMFERTRODE® AC-DC



EUTECTIC's exclusive metal-cutting electrode now goes AC, too! With new "Chamfertrode" AC-DC, weldors can "machine" metal anywhere; cut, gouge, chamfer without gasses, without special equipment. Another great "first" from EUTECTIC!

DECEMBER



### New Program of Packaging Begins

Test runs of new packaging materials made in effort to give weldors still better products. Unique construction simplifies inventory, provides greater accessibility, protects quality, insures factory fresh delivery.





**THIS YEAR AND EVERY YEAR...  
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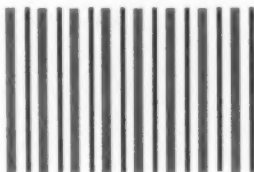
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## Industry News in Brief

### Clevite Sales Branch

**Cleveland**—Clevite Electronic Components, division of Clevite Corp., has set up a new sales branch in Maplewood, N. J. The branch will provide faster application engineering assistance to electronic, ultrasonic, and aircraft companies in the New England and Middle Atlantic areas.

### Wire Plant Expands

**Philadelphia**—Precision Drawn Steel Co., one of the largest producers of cold finished steel bars in the East, is expanding its production at its Pennsauken, N. J., plant.

New construction will increase facilities for wire drawings and accommodate new gas fired control furnaces to process wire.

### Bioferm Merges

**Chicago**—Bioferm Corp., a pioneer in the manufacture of chemicals through fermentation, will become part of the International Minerals & Chemicals Corp.

### Push Diode Marketing

**Syracuse, N. Y.**—General Electric Co. has formed a Signal Diode Project within its Semiconductor Products Department to concentrate on the fast-moving tunnel diode market.

The new unit is designed to separate diodes and other two-lead signal semiconductors from the transistor business, a spokesman said. The move will allow greater attention to be focused on the special needs of diodes and permit more rapid market development for these devices, the company said.

### New Grease Facility

**Houston, Texas**—Continental Oil Co. has completed a \$380,000 expansion and modernization program at its grease plant in Ponca City, Okla. The project includes the installation of automatic equipment for controlled temperature, flow, mixing and other steps in the manufacture and packaging of greases.

### Worthington Distributor

**Harrison, N. J.**—Worthington Corp. has named Bitco, Inc., of Spokane, Wash., as a distributor of its mechanical power transmission products. Bitco will handle a complete line of Worthington power transmission equipment, including positive drives, variable speed drives, multi-wedge and multi-V drives.

### Add to Sales Staff

**Philadelphia**—Bishopric Products Co., of Cincinnati, plans to establish an Eastern district sales office near Haddonfield, N. J. The firm is a supplier of lined tanks and equipment for the brewing and process industries.

### Houston Fearless Expands

**Los Angeles**—Houston Fearless Corp. has purchased Masterite Industries, Inglewood, Calif.,

manufacturer of circuit connectors, precision electrical assemblies, and electronic contacts.

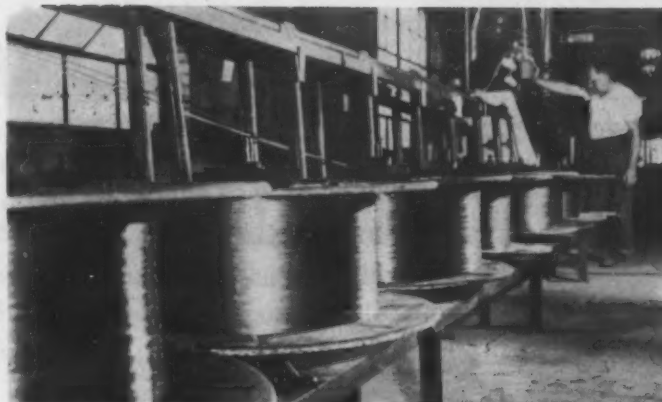
### New Outlet for Allied

**Long Island City, N. Y.**—Allied Metal Hose Co. has appointed Louis H. Hein Co., West Conshohocken, Pa., a major new distributor. Hein will carry a complete line of flexible metal hose and connectors on an exclusive basis in the greater Philadelphia and surrounding area.

### Lake Shore Relocates

**Iron Mountain, Mich.**—Lake Shore, Inc., has established a new office for its contracting and parts division at 626 East Wisconsin Ave., Milwaukee. The office will serve southern Wisconsin and northern Illinois, including Chicago.

The division is responsible for manufacture and marketing of base and surface plates, dynamometer bases, engine jacks, automotive parts, and portable conveyors.



GIANT SPOOLS of stainless steel wire form new production line at the National-Standard Co. plant at Niles, Mich. New equipment here and at Worcester, Mass., has increased the firm's wire output by 25%.



Leland B. Howe, Senior Buyer, Polaroid Corporation, with the Polaroid Electric Eye Land Camera.

"When I buy components...

**I look for DESIGN INGENUITY"**

... says Leland B. Howe, Senior Buyer, Polaroid Corporation. "Cooperative engineering by suppliers has contributed significantly to the growth of our company and our product line. In our new Model 900 Electric Eye Land Camera, where quality and reliability are of the greatest importance, Mallory engineers worked with us in developing a special mercury battery for the automatic exposure setting system."



See MALLORY for:

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- Welding Materials



## P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

### Where the Russians Lag

The major concern of the industrial managers in the Soviet Union isn't the latest Sputnik score in the missile race. They are concerned about something a lot more down to earth: labor productivity. This basic industrial problem is the barrier that Soviet industry must surmount if they are to meet their announced national goal of overtaking the U. S. in gross national product in 10 years.

This is the thesis of A. Aganbegian, a Soviet economist, in an article reprinted (in translation in Challenging Business Briefs, a publication of the Harvard Business School. Students of Communist propaganda will find most of Aganbegian's arguments old stuff, though he has dressed them up with an imposing array of statistics to make them sound more plausible.

What is new in Aganbegian's dissertation is his analysis of the factors that are holding back Soviet industry—to wit, inferior materials handling methods, and a low degree of plant specialization. As an example, Aganbegian notes that great progress has been made in the iron and steel industry where, he asserts, automation of blast furnaces and open hearths is far more advanced than in the U. S. About 90% of all pig iron and steel is melted in mechanized and automated furnaces—and as a result, he maintains, unit efficiency of these operations is much higher than in the U. S.

Despite this advantage, however, U. S. labor productivity for the iron and steel industry as a whole is more than double that of the U.S.S.R. The reason: American industry makes up the difference in automated materials handling and superior industrial organization—as shown in the great amount of specialization and subcontracting. These advantages hold in other industries, too, he points out.

Materials handling, he explains, "makes for an intensification and continuity of production pro-

cesses," and specialization and subcontracting (particularly in the military field) reduces the number of what he calls "auxiliary" workers (i.e., production workers in supporting industries)—as opposed to primary workers engaged directly in the manufacture of the basic product. In the U. S., according to Aganbegian, the ratio of auxiliary workers to primary workers stands at 0.6:1—in the U.S.S.R. it's 1.4:1.

In charting these as the two decisive areas of economic growth, he cites as an example the state of the machine tool industry in both countries. In the U. S. most machine tool makers rely heavily on outside suppliers for their castings, forgings, tool and dies, and jigs. In the U.S.S.R., most of these products are made right in the machine tool plant by "semi-handicraft" methods—and what's more—materials handling is virtually all done manually.

What are the Soviets doing to catch up? Says Aganbegian: "The seven-year plan for 1959-1965 envisages a fundamental change toward predominance of specialization and mechanization in auxiliary operations . . . Hence by 1965 the percentage of auxiliary workers will diminish relative to the total number of workers."

### Tips on Materials Handling

Despite our productivity lead over the Soviets, there's still plenty of room for improvement in materials handling and shipping. Two new government publications will give you a lot of valuable tips: first, a General Services Administration booklet, "Help Prevent Shipping Loss and Damage." This 44-page publication gives hints on packing goods for shipment. Price: \$0.30 from the Government Printing Office, Washington 25, D.C. Also, Small Business Administration has prepared a free-four-page pamphlet, "Pointers on In Plant Trucking". It deals with motorized trucks, hand trucks, palletization, and cost factors for small companies. You can get this one from SBA, Washington 25, D. C., or any SBA field office.

## PURCHASING PARADE



**P. A. Carroll** Rather of Southwest Airmotive Co. (Dallas, Tex.) has begun preparing for what will once more be aviation's biggest Turkey Trot—850 frozen turkey gobblers—the company's Christmas gift to all employees.

The cream of the crop of this year's purchase—weighing in at approximately 1,600 lb. and individually wrapped—will also go to employees of Turbo Jet Processing and Aircraft Sales (divisions located in Fort Worth and Longview) and Business Wings.

Shown above with a few of the tantalizing torsos are Rather (center) with A & P Grocery Managers Kermit Altizer and Tommy Simmons.

Here's a top ranking P. A. who's just been elected new Commodore of the Ford Yacht Club for 1961:

He's **George J. Vitick**, Supervisor of Purchasing and Analysis at Ford Division of the Ford Motor Co. (Dearborn,

Mich.); he will be officially installed in style at the 14th annual Ford Yacht Club Commodores' Ball.

Here are several more P.A.'s who have the right to be justifiably proud these days:

• **Herm Weber**, P. A. at **Hammermill Paper Co.** (Erie, Pa.) and former football player for Penn State.

His son, **Herm Weber, Jr.** captained the Penn State cross-country track team to an undefeated season, the first for Penn in some years, and also is class President.

• **Harry G. Barr**, recently retired Vice President and Director of Purchasing of the **J. I. Case Co.** (left) (Racine, Wis.).

He's been elected an Honorary Life Member of the Farm Equipment Institute, a group of farm equipment manufacturers organized for the purpose of improving mechanized farming in the

Personal glimpses of P.A.'s as they march by in the news



U. S. and throughout the free world.

The life membership accorded Barr is in recognition of the valuable assistance he rendered the Industry through service on the FEI Materials Committee during World War II, the Korean conflict, and for some time following. He was Chairman of the committee from '47 through '58.

• **Sal J. Pantano**, recently advanced from Chief Buyer to P. A. for **Epsco, Inc.** (Cambridge, Mass.).

He has found that he's a golf "natural"—after playing for only about a year, he already consistently shoots in the low 70's.

• **Karl Farquhar**, P. A. for the **National Cement Products Co.** (Toledo, Ohio).

He's been installed as president of the Fort Miami Toastmasters Club—composed of business executives who engage in professional "toastmastering" as a leisure time pursuit.

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**PURCHASING WEEK** is published weekly by McGraw-Hill Publishing Company, Inc. Founder: James H. McGraw (1860-1948).

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## How big a price differential would make you consider changing a source of supply?

Question asked by: **Floyd Oldford, Purchasing Agent**  
**Burr, Patterson & Auld Co., Detroit**



**C. C. Bedenbaugh, branch purchasing agent, Eisenhauser Mfg. Co. (electrical wiring harnesses), Louisville, Ky.:**

"Being a small company in a highly competitive field, naturally we consider any price differential. However, as a rule, we are willing to pay a good dependable supplier an average of at least a 2% or 3% higher price, and we would give consideration to a new source for a differential percentage of 4% under our present suppliers' prices. To arrive at a more definite figure would be difficult since the size of the order would be one of many governing factors."



**F. A. Coenen, director of purchases, Chain Belt Co., Milwaukee:**

"It is very difficult, or perhaps even impossible, to answer on a percentage or flat dollar basis because of the many other factors which influence end cost to the user. If the commodity is one which is considered standard and readily available (requiring no involved technical understanding relative to end use) then we owe it to our company to explore all price advantages. It must be understood that service, etc., will have to be equal or better before a change in suppliers actually would be made strictly on a price advantage. On engineered commodities purchased, a realistic value must be placed on the technical assistance offered by suppliers."



**Rhoda M. Stewart, vice president and manager, purchasing, traffic & personnel, Marbon Chemical Div., Borg-Warner Corp., Washington, W. Va.:**

"This depends on the commodity. On production raw materials that are purchased in volume, a fraction of a cent is significant. However, we might not change the supplier unless the commodity could be purchased at the lower price on a continuing basis. On construction jobs and equipment, the order goes to the lowest bidder."



**Burton Sills, purchasing agent, Frito Co. (corn chips, potato chips, etc.) Mamaroneck, N. Y.:**

"Price only, of itself, can never be a sound basis upon which to make a change in the source of supply of an item. All other factors being considered equal—i.e., service, delivery, cash, discount terms, reliability of vendor, quality of work, etc.—a price differential must be compared to the quantity being purchased. Where the yearly saving would equal at least \$100, further consideration is justified."



**T. L. Tasso, head, purchasing section, Rheem Semiconductor Corp., Mt. View, Calif.:**

"While the purchasing agent or buyer is always interested in savings, price consideration is not the overriding factor in changing vendors. We have found other factors equally important, e.g., service, quality, technical assistance, etc. A definite price reduction figure that would cause us to change vendors cannot be established, since each vendor must be considered with his competitors on the above factors as well. For example, some suppliers guarantee stocks on hand for your normal requirements; this reduces your inventory and releases funds for more productive use."

**Suggest a Question to:**

**PURCHASING WEEK Asks**  
**330 W. 42nd Street**  
**New York 36, N. Y.**

## Follow-Up: Letters and Comments

### A Pat on the Back

**Green Bay, Wis.**

If it is impossible to obtain a copy of your Nov. 21 issue, will you send me a reprint of the article, "City-County Consolidated at St. Paul" (p. 9).

At this time I would like to pat you on the back by telling you that this publication, namely **PURCHASING WEEK**, is the best and most valuable one that comes across my desk. Every page is read.

**Russ Petreat**  
**Purchasing Agent**  
**City of Green Bay**

### New Transcriber

**Holyoke, Mass.**

An article on page 31 of your Nov. 21 issue gave a resume of a new transcriber

now being manufactured by TELauto-graph Corp., Los Angeles. Would you please forward the firm's complete address.

**Dan Dibble**  
**Purchasing Agent**  
**Tecnifax Corp.**

• It is: 8700 Bellanca Ave., Los Angeles 45.

### To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Follow-Up," **PURCHASING WEEK**, 330 W. 42nd St., New York 36.



**KEYSTONE WIRE**  
**a tool for**  
**man's imagination**



**FLOWABILITY**  
**IS THE**  
**SECRET**

EACH YEAR the automobile buying public demand new features in their cars. This calls for creative effort of the designer and considerable imagination in shaping special parts or fasteners.

Such a part is a weld stud manufactured by International Screw Company of Detroit, Michigan.

This stud could not have been machined because of weld spots under the head. Nor was it successfully cold headed until Keystone Wire was specified. Now, using Keystone Wire, cold metal is forced into a die to form this weld stud at the rate of thousands per hour.

The secret of this successful operation is the flowability of Keystone Wire—the result of controlled thermal treatment, correct chemical analysis and uniformity throughout the coil.

So, when your imagination calls for a special part or fastener to meet a particular specification, remember the flowability characteristics of Keystone Wire.

Talk with your nearest Keystone Representative or consult our Wire Specialists. Perhaps you can send us drawings or the part itself. We shall be glad to make recommendations.




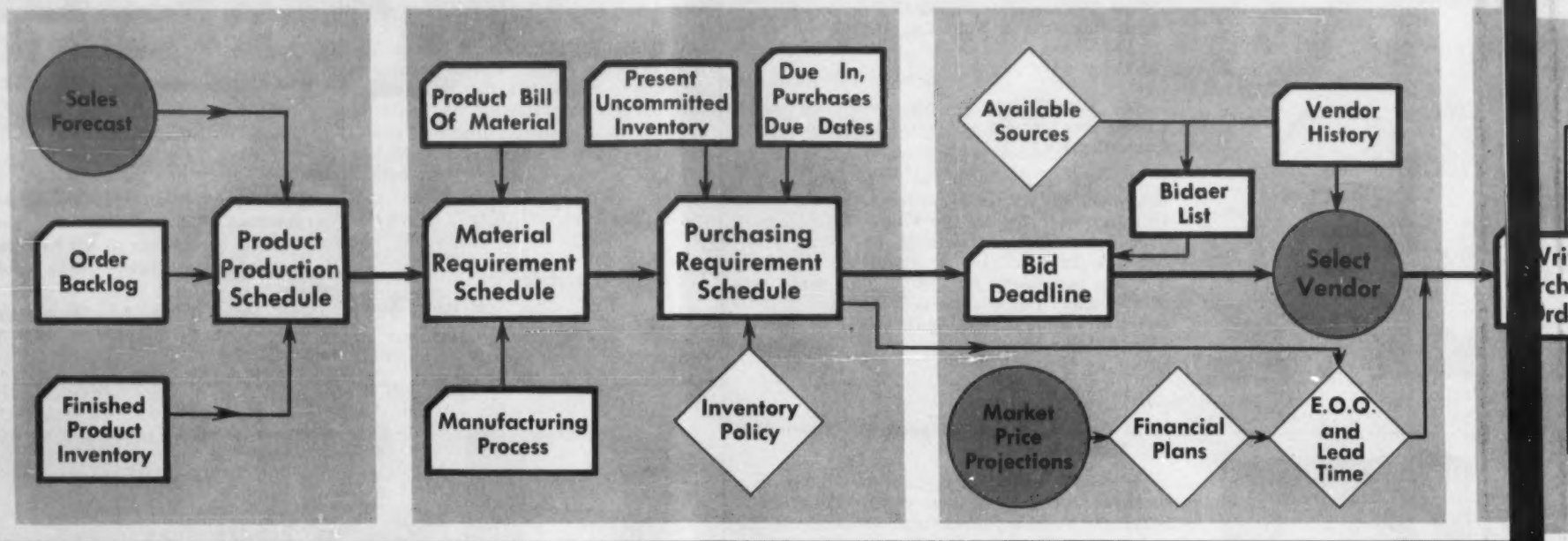
Keystone Steel & Wire Company, Peoria, Illinois

**KEYSTONE**

Cold heading and forming wire for industrial uses

# How Today's Computers Can Make Materials Management

Already the computer has mechanized these jobs (shown by ); it helps out human managers



Leibowitz and Leitch

The flow chart above shows how the computer revolution can change the purchasing function. So sweeping will be these changes that the wise P.A. will start now to prepare for them. In the interview below, PW Consulting Editor Martin L. Leibowitz tells Management Editor William R. Leitch what shape this revolution will take and how you can get ready for it.

**Q.** As we hear from all sides, the trend is toward computerization. People are becoming more and more intrigued with the computer, but so few know anything about it. And almost everyone wonders exactly where it is going to fit into their daily lives. You, Mr. Leibowitz, say this drawing above represents a practical computerized purchasing and inventory setup. What should we look for in the drawing?

**A.** Well, the first thing to notice is the computerized flow of information and action through seven familiar decision-making stages. These are the blocks starting from the point where you decide what products to make, to the materials you need, the purchase requirements, how much and from what vendor and all the way through quality checks at the customer level. This is the center path, shown by the larger symbols and heavy line. The heavy rectangles show where a computer can take over each decision or processing job. Routine, nonjudgmental, highly repetitive decisions can be computerized—for example, preparing the Purchasing Requirements Schedule. The diamond symbols are the points where the computer can assist a human manager. And the circles represent judgment areas likely to continue to be done by people, such as a Market Price Projection.

**Q.** Is this system possible today?

**A.** Definitely. All the computing machinery and accessory equipment such as card readers, printers, tape-operated typewriters and the like are available. Some big companies have most of this system operating now, though no one has all the elements in one system. However, it can and will be done as soon as the mathematical instructions or programs have been

written for the computers. This "programing" is a very complex, time-consuming job.

**Q.** Why do it if it is so complex?

**A.** To get a profit payoff, either in improved efficiency—such as cutting clerical labor, greater accuracy, better figures on prices and quality—or more timely action. You can make a more profitable, better timed decision. And in some operations the computer is "wiser" than a human. It can handle more variables than the human mind.

**Q.** Since this is so sweeping in scope, does it mean you have to buy a million-dollar computer or fall behind in the business race?

**A.** No. There are four stages varying in degree of mathematical complexity and the amount of equipment you need. The first stage is what most companies are familiar with: clerical mechanization.

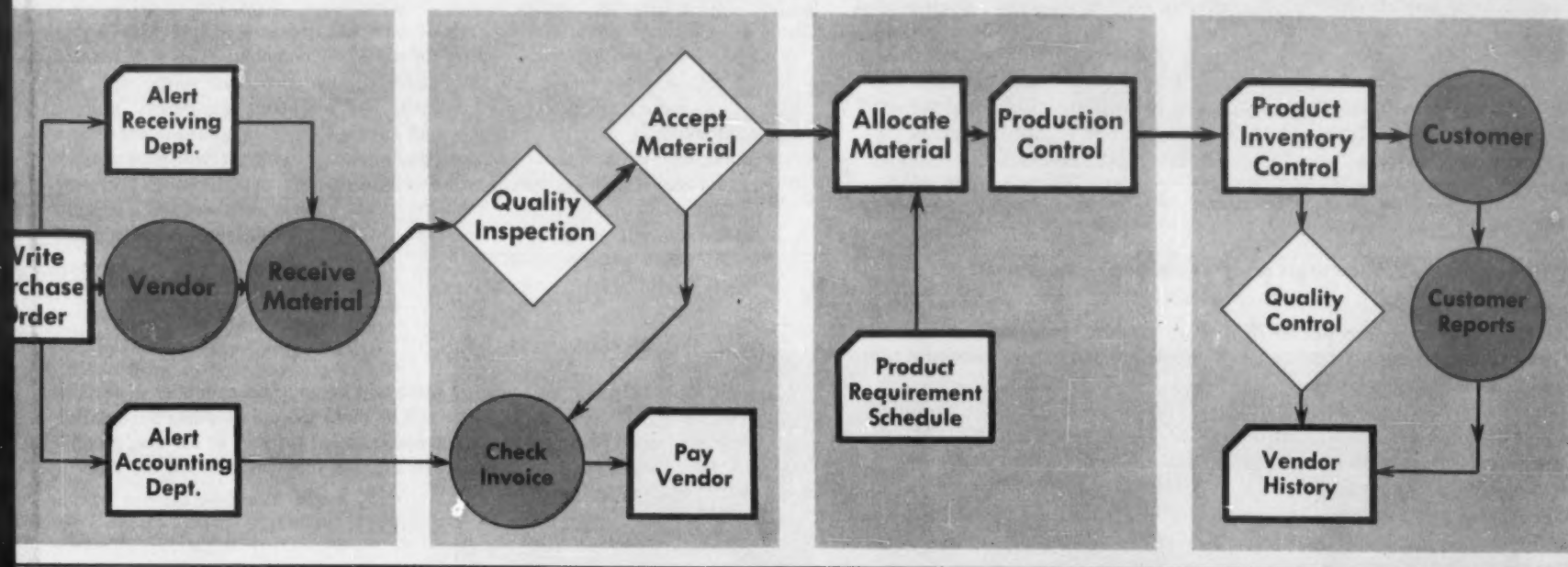
The second stage comes when you use automatic equipment to store information, update the record with new data, and make reports to management for human decisions. A typical application is in inventory control—the data processing equipment keeps the records automatically, brings them up to date. The computer is being used as a very large, very accurate, accessible memory. Of course, there are many companies using the first stage, and most large firms are into the second stage.

**Q.** So far, the human manager is still doing about what he has always done—making decisions?



# nt Decisions From Sales Forecast to Customer Delivery

s at these points (◇); the all-human touch is reserved for these few judgment items (●)



**A.** That's right. But he's making better decisions because he has more accurate information, and he's acting more quickly than if he tabulated all the data by hand. In the third stage, you get computers indicating the need for certain simple decisions and actions. This involves a somewhat more sophisticated program. It can then make everyday, repetitive operating decisions, like calculating economic order quantity and order time. There are a good number of these installations in large companies.

**Q.** But will a computer really manage? Could one pick a vendor, for example?

**A.** Yes. And some machines are being programed now to do just this. In general to do this properly, it takes a fairly advanced machine and advanced programing procedures. In purchasing, this includes rating vendor performance against quality and delivery reports, integrating purchases with stock already on hand, and figuring new lead times and purchase quantities.

**Q.** When will this happen?

**A.** I'd say there will be something like this in the life of almost every purchasing manager by 1970. Certainly everyone will be using punched cards or tape data processing equipment. There is no question that every one of the top companies in the country has a computer study of some sort underway now. In five more years, even medium-size companies will have some aspects of computer management in their plants. Small firms may be able to do some work on a "desk size" computer or rent time on a service bureau's bigger machine.

**Q.** What effect will computerization have on managers in general?

**A.** It will make them more effective by freeing them from the routine detail of repetitive decisions that don't really need judgment or interpretation. This means they'll have more time to concentrate on the direction of the business of their departments, making forecasts and plans, motivating their subordinates to do their best to meet them, and evaluating performance. They'll also be more effective because the computer and its information gathering network will bring together all the diverse aspects of the business. The whole operation will be more smoothly integrated, and running on up-to-date information. There are going to be some tremendous savings because of this. And the manager of 1970 will be able to use more of his creative ability. He won't have to spend all of his time on routine details. He'll act on the "management by exception principle." That means the machine will take care of the little fires—the normal problems—and he'll need to come in only for the big problems. Thus, the manager can take an active, dynamic role in the organization instead of being on the defensive or reacting to situations all the time.

**Q.** Can you apply these generalizations to the P.A.?

**A.** Sure. The big difference is that the P.A.'s job will be a lot more exciting. He'll be relieved of the routine paperwork, clerical, and reporting jobs. He'll be freed to use his judgment and experience. Also management will demand more of him, too. He'll be consulted more often

on top decisions outside purchasing, and just plain buying and he'll get new responsibilities, instead of being a man who sees that things are O.K.

**Q.** What specific tasks will change, and how?

**A.** I'll list them for you:

(A) The P.A. will be more concerned with the policy of inventory control, not the stock counting and detail. That means top-level thinking.

(B) He'll play a part in the continuous review of over-all company performance, using computer data. He'll have to know what makes the rest of the company tick.

(C) The purchasing executive will have to spend more time to maintain up-to-date information on availability and status of vendors. This is a job that computers can't do.

(D) He'll be expected to do market and price projections for major raw materials and components.

(E) Purchasing men will have to know more about the financial and cost aspects of their operation. This applies not only to inventory but the over-all profits that the P.A. can build through good buying. He'll have to evaluate his men by their profit contribution, too.

**Q.** What will this do to the P.A.'s status in the company?

**A.** There will be much bigger shoes to fill, and the P.A. must rise himself to the occasion or else lose out. From what I've just said, you can see that the P.A. of the future can no longer be a clerk. The computer will have taken that function away from him. He'll be expected to be a manager on par with other executives.

**Q.** Does this mean more materials management organization?

**A.** Yes, and you can bet your boots the materials manager will be a man with broad experience, flexibility and adaptability to situations, a firm grasp of the systems concept of an integrated company, and finally, an appreciation for what the computer can do. In short, he's going to be the sort of fellow we've been talking about all along.

**Q.** How will this affect the purchasing staff?

**A.** It's going to make buyers really the first line of purchasing management. They will have powerful tools from the computer to guide them in buying. The time-consuming reports they spend most of their time on now will be machine-produced. Instead, at their fingertips will be a machine-made history on every product they buy, its price, quantity, last time purchased, from which vendor, EOQ information, best shipping routes and materials due in. They can concentrate on price, quality and service. The machine will have given them complete reports on exactly how each vendor has done, how many rejects incoming quality control inspection found in the last shipment, if it was late, and so forth. The buyers will spend more time in the field hunting up vendors, too.

(Continued on Page 18)

**Q. Can small companies use any of these ideas?**

**A.** Certainly. Small companies need management information as much as large ones. Also, there never seems time enough for the small businessman to do any effective job of managing his limited capital, finding new products and markets and cutting costs.

As far as equipment goes, there are two approaches to the small companies. One consists of renting one of the growing numbers of small scale computers that are reaching the market. The other approach is the rental of computer time and service as needed from one of the consultants or service bureaus in the field.

**Q. What should the P.A. do to get ready for computer management?**

**A.** First, let me really rub this in right now: No P.A., regardless of the size of his company, is computer-proof. Even if you're a one-man purchasing department, the computer is coming for you, too, just as surely as the automobile followed the horse and buggy. So my suggestion is: Get in on the ground floor. By this I mean: Think out your job and get to know your company inside out; learn about computers and EDP before they hit your firm. Here's a specific program:

(A) Become aware of the parts of your job and department that are routine, repetitive and those that involve judgment. The former can be computerized; the latter can't. Do the same for other managerial jobs in the company.

(B) Try to reduce your operations to standardized, routine systems with smooth, logical paper flow, and as few feedbacks and loopholes as possible. You can't automate a mess, so clean it up beforehand.

(C) Learn what operations research, EDP and computers have done for other companies in your industry and in similar operations in other industries. Also find out what they can't do. Read and go to seminars, and talk to other P.A.'s who have done it.

(D) Get yourself or your brightest young man on the computer study group to represent the purchasing point of view. Inform the group of your problems and bring back useful information to help orient the department to the new system before it arrives.

**Q. What will eventually happen to management?**

**A.** Ultimately the fourth stage of computerization will lead to a highly integrated automatic control for the whole company. This is illustrated by the diagram below. Management will be concerned solely with top policy making, planning new products and marketing campaigns, making economic and materials forecasts, and capital investments. These are shown at the top of the chart. The company's master computer will generate the production schedules, purchasing requirements and make routine operating decisions—in other words, run the company. Management will tell it what to do through inputs of reports and plans. In turn, they'll get reports to guide them in their planning task.

**Q. Will this eliminate any jobs?**

**A.** It's hard to predict whether there will be any fewer number of men in management. Certainly there will be more specialists, doing the detailed planning work. That is what middle management is likely to become, so they will be closer to top management. In a sense, this will broaden the base of the top management pyramid.

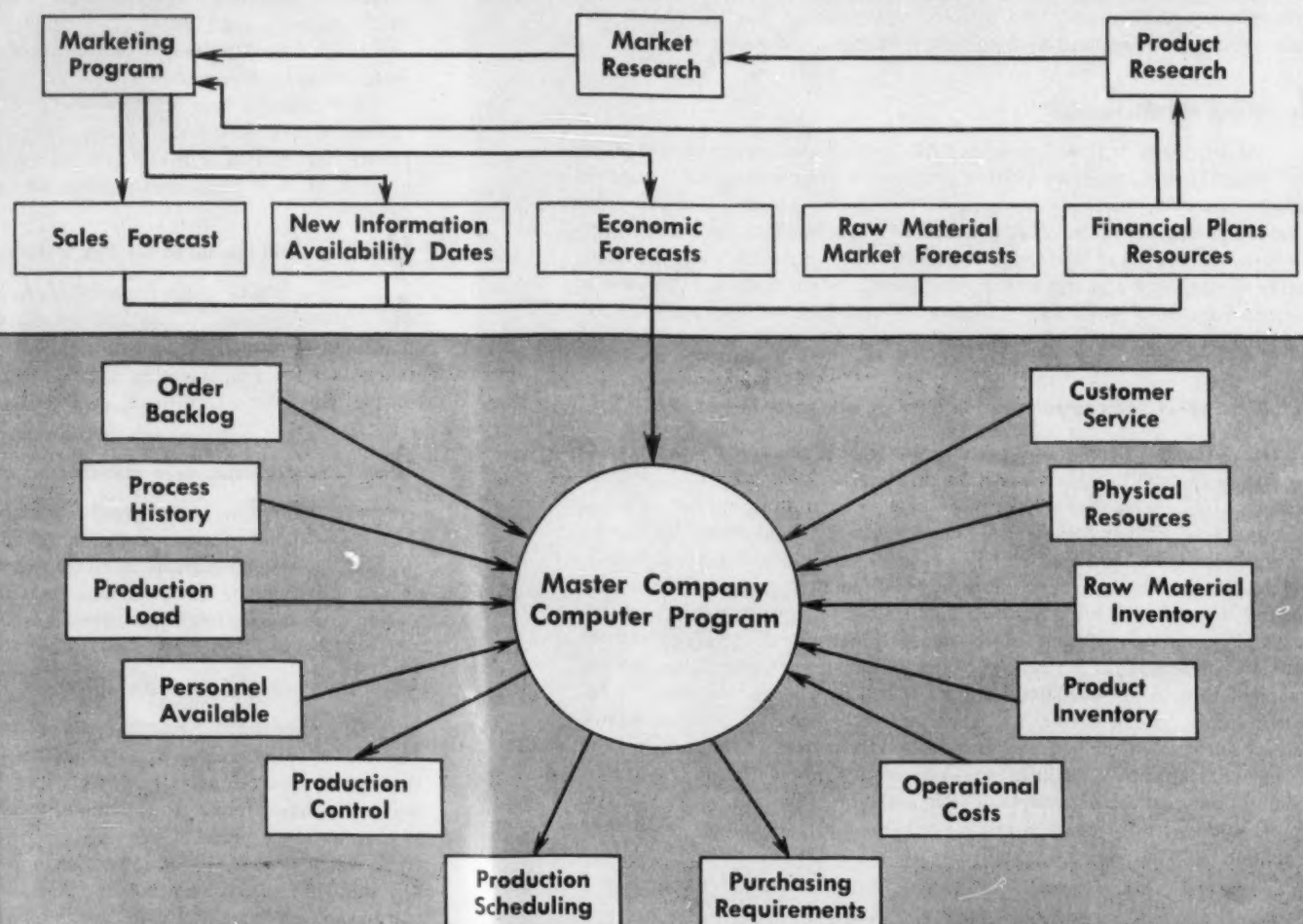
**Q. How far away is this crystal ball work?**

**A.** The computers that can handle this sort of system are on the drawing boards now. Some large companies are already working toward a master control system, but the roadblock is the detailed mathematical and logical planning necessary to tell the master computer what to do. This programming takes time, but by 1970 we can expect a master computer system in several of the largest companies.

## How Management Will Look After the Computer Revolution

Only the planning and judgment functions will remain in the hands of human decision makers. A few specialists and top managers will guide the company.

The computer will take over all routine decisions shown in the boxes around the edge of the master company program. Top management and the staff specialists will get reports from the computer so they can guide the company into new products, markets, materials, and make financial and investment plans.



Area in white (above) represents the managerial sphere where humans will continue to exercise the critical judgment

and vision needed for business success; gray area (bottom) takes in drudgery chores to be performed by computer.



## P.A. Lists Guides for Socializing With Salesmen

**Grand Rapids, Mich.**—Where to draw the line in social contacts with salesmen was the top question on the minds of Grand Rapids Purchasing Agent Assn. members. A four-man panel mapped out some of the answers in a workshop session on the buyer-salesman relationship.

Lunching with salesmen of established suppliers is all right if the P.A. pays the check occasionally, panelist Henry Kooistra, purchasing agent, Grand Rapids Rubber Products Co., told the group. He recommended that companies establish definite policies regarding social contacts with suppliers' salesmen.

### Avoid 'Obligations'

Kooistra warned against going out with new salesmen who are first-time callers. He also warned against drinking during the business day.

"Remember to keep your company's best interest foremost and do not become obligated in any way," he stressed. Group entertainment, he suggested, is one way a vendor can express his thanks and consideration for good relationships.

The panel was moderated by Richard Manildi, purchasing agent, Gerber Products Co. Other panelists at the workshop session included Ralph Scheifley, purchasing agent, John Widdicombe Co., and Edward Berry, purchasing agent, Barclay, Ayers & Bertach Co.

Tackling another aspect of the buyer-salesman relationship, Scheifley advised that special calling hours and/or days be established for both the purchasing agent's and salesman's convenience. However, he added, special consideration should be given to the drop-in type of sales-

man making his first call.

He outlined recommendations: use lobby interviews, take as few telephone calls as possible during an interview, and make it a point to follow up on all calls immediately after the interview with a return call.

Lobby interviews, Scheifley told P.A.'s, give you an opportunity to screen the caller to your time advantage and help discourage the persistent salesman who has nothing of interest. All interviews, he emphasized, should have a definite time limit.

Berry also discussed salesmen's calls but from the ethics aspect. Depending upon the situation, he said, it is not good practice to disclose exact competitive prices. However, he added, it is ethical to advise if the price is higher or comparable and give the supplier an opportunity to review and requote.

A purchasing agent, Berry said, can find out what competition is doing by establishing reliable sources of supply and maintaining competitive price structures.



PANELIST Henry Kooistra (left, head table) discusses the buyer-salesman relationship at Grand Rapids Assn. workshop session. Other panelists: (l-r) Edward Berry, Ralph Scheifley, and Richard Manildi.

### This Changing Purchasing Profession

**William P. Sheffield** was made director of purchases at **Brown & Sharpe Mfg. Co.**, Providence, R. I. Formerly assistant to the general manager of the Cutting Tool Div., he succeeded **E. L. Anderson, Jr.**, who left to join Carborundum Co., Niagara Falls, N. Y.

**Donald G. Bradley** has been appointed purchasing agent of the **Automotive Div., Gabriel Co.**, Cleveland. Bradley, who will be in charge of traffic as well as purchasing, joined the firm in 1955 as traffic manager.

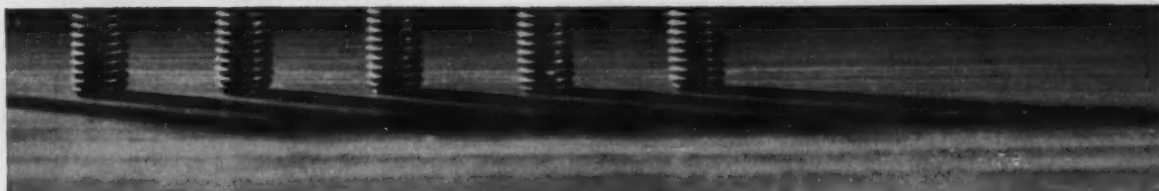


W. P. SHEFFIELD D. G. BRADLEY

**C. E. Hill** has been appointed purchasing manager, **Food Products Div.**, (production) **Pet Milk Co.**, St. Louis. Formerly fruit procurement manager, he will continue to supervise procurement of fruit for the firm's **Pet-Ritz** and **Swiss Miss** frozen pies.



## Heads for \$50 saving per unit



Fastener survey of blower units by RB&W points out where use of standard hex screws cuts costs, but not quality

In making a survey of a well-known manufacturer's fastening operations, the RB&W man found that alloy socket head screws were used extensively in large blower units.

But he found no genuine engineering need—the alloy's strength wasn't being utilized. And he found no production need—there was no tight spacing situation that required internal wrenching. Nor was there even an appearance need—screws weren't being installed in countersunk holes for a flush fit.

So there was no purchasing need, either. Why pay the premium cost

for alloy fasteners? He recommended switching to standard high strength hex screws. The savings in fasteners per blower: 50 dollars. That's 50 dollars added to unit profit with no increase in price.

An RB&W Fastener Expert is no better than your engineers. He simply knows *what* to look for. Why not let him search for savings with one of *your* engineers? Maybe you're doing the best possible; but unless you're sure you're not wasting fastener dollars, it pays to consult Russell, Burdsall & Ward Bolt and Nut Company, Port Chester, N. Y.



Plants at: Port Chester, N. Y.; Coraopolis, Pa.; Rock Falls, Ill.; Los Angeles, Calif. Sales office and warehouse at: San Francisco, Calif. Sales offices at: Ardmore (Phila.), Pa.; Pittsburgh; Detroit; Chicago; Dallas. Sales agents at: Cleveland; Milwaukee; New Orleans; Denver; Fargo. Distributors coast to coast.



### Open Shelf Files

#### Increase Capacity

Units for open filing have eight shelves and can increase file room capacity by as much as 75%. Letter-type units have a 12-in. base with 9-in. deep shelves. Entire unit is 36-in. wide and 90-in. high. Legal-type has a 15-in. base with 12-in. depth.

**Price:** \$95 (letter-size) and \$120. **Delivery:** immediate. Republic Steel Corp., 1038 Belden Ave., N. E., Canton 5, Ohio (PW, 12/26/60)



### Lamp

#### Magnifies Objects

Lamp has built-in magnifying lens for distortion-free magnification. Lens (5-in. dia.) has a focal length of 13 in. and a power of 3 diopters. Circline fluorescent tube is 22 w. A 26-in. swinging arm permits complete flexibility.

**Price:** \$32.50. **Delivery:** 7 to 10 days.

Acme Light Products Co., Inc., Congers, N. Y. (PW, 12/26/60)



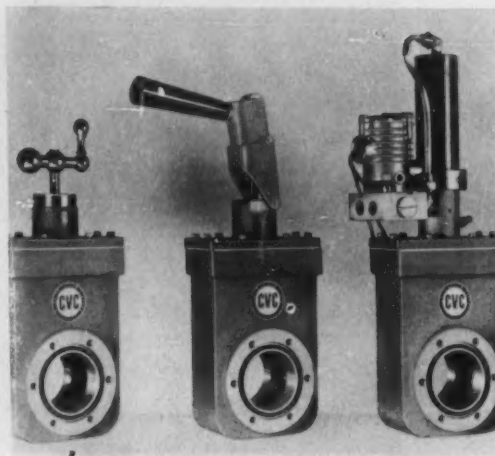
### Flow Monitor

#### Has Variable Range

Monitor measures mass flow air or gas. It is adjustable for wide range of flows at midscale and has an increasing sensitivity to low flow rates as zero is approached. Instrument has variable sensitivity and range.

**Price:** \$350. **Delivery:** 2 to 3 wk.

Hastings-Raydist, Inc., Hampton, Va. (PW, 12/26/60)



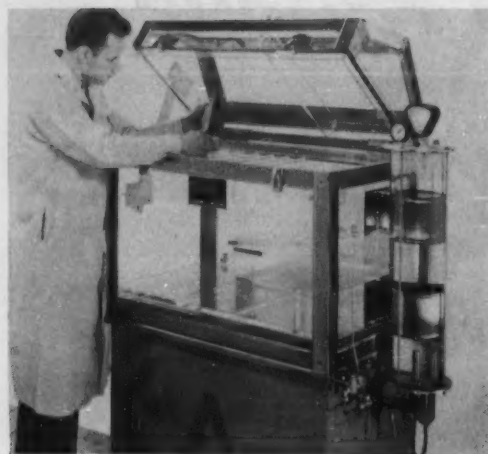
### Gate Valve

#### Increases Conductance

Series of vacuum gate valves can be used at pressures down to  $10^{-6}$  mm. Hg. They are available with nominal 2-in., 4-in., and 6-in. openings. Gasketed end plate permits easy removal of valve operator without disrupting line or system.

**Price:** \$115 to \$485. **Delivery:** immediate.

Consolidated Vacuum Corp., 1775 Mt. Read Blvd., Rochester 3, N. Y. (PW, 12/26/60)



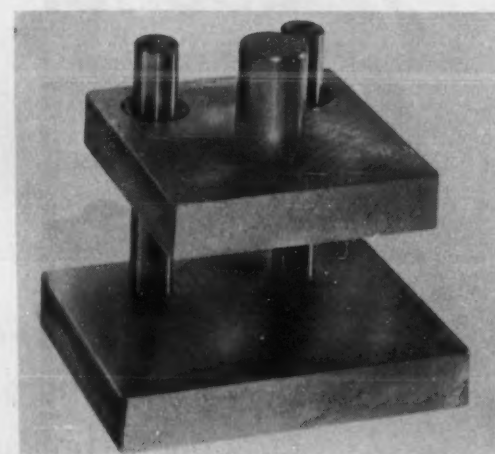
### Test Chamber

#### Creates Salt Spray

Chamber produces salt spray for corrosion testing materials and components. All-lucite construction gives complete visibility of test piece at all angles. Choice of models allows clear internal working areas from 24 in. x 24 in. x 24 in. to 30 in. x 30 in. x 30 in.

**Price:** \$1,295 to \$1,860. **Delivery:** 1 wk.

Associated Testing Laboratories, Inc., Wayne, N. J. (PW, 12/26/60)



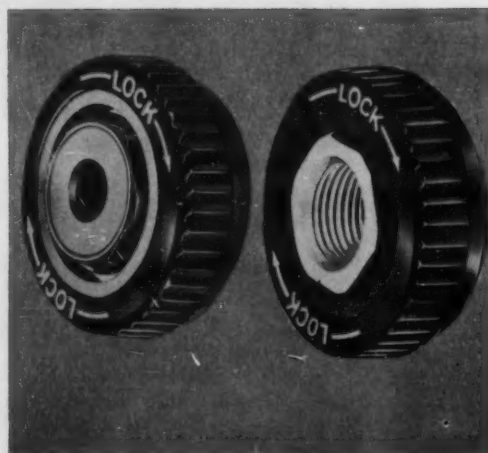
### Die Set

#### Gives Choice of Lengths

Compact, all-steel die set gives choice of three common lengths of ground and hardened pins (5-in., 6-in., and 7-in.) and two shank sizes at no extra cost. Over-all die area dimensions of nine basic sizes range from 6-in. x 4-in. to 15-in. x 12-in.

**Price:** \$19.25 to \$79. **Delivery:** immediate.

Wheatley Economy Die Sets, Inc., 1627 W. Fort St., Detroit 16, Mich. (PW, 12/26/60)



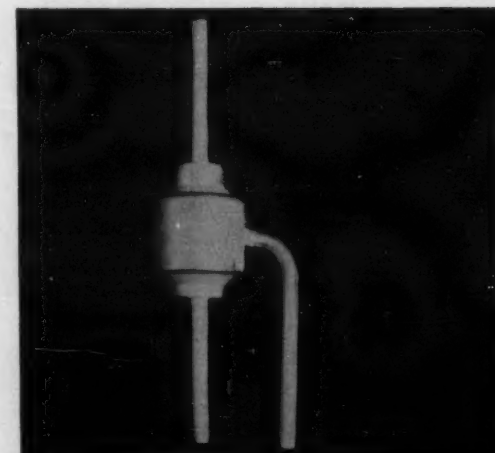
### Knob Lock

#### Protects Controls

Splash- and dust-proof lock is for exterior use with potentiometers and other variable controls. Rubber insert molded over the threaded metal bushing of the knob lock prevents water leakage around control shafts. A  $\frac{1}{4}$ -turn of fluted skirt locks control without disturbing settings.

**Price:** \$1.65 to \$1.85. **Delivery:** 30 days.

Raytheon Co., Industrial Components Div., 55 Chapel St., Newton 58, Mass.



### Valve

#### Tests Underground Cables

Miniature valve is buried underground attached to a pressurized cable. "operate" and "read" tubes are led to the surface. Pneumatic pressure applied to the "operate" tube gives reading at the surface of air pressurization in the cable.

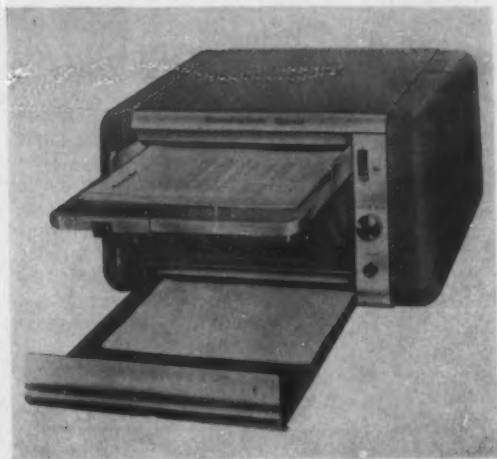
**Price:** \$17.27. **Delivery:** immediate.

George W. Dahl Co., Inc., 86 Tupelo St., Bristol, R. I. (PW, 12/26/60)



# New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



## Rotary Camera

Uses 35mm Film

Portable 35 mm rotary camera has a reduction ratio of 12 to 1. It accommodates papers up to 12 in. wide of any length at 150 fpm. Compact unit has automatic feed, and visible film supply indicator.

Price: \$1,550 (with counter) or \$1,450. Delivery: approx. 4 wk.

Remington Rand Systems, 122 E. 42nd St., New York 17, N. Y. (PW, 12/26/60)



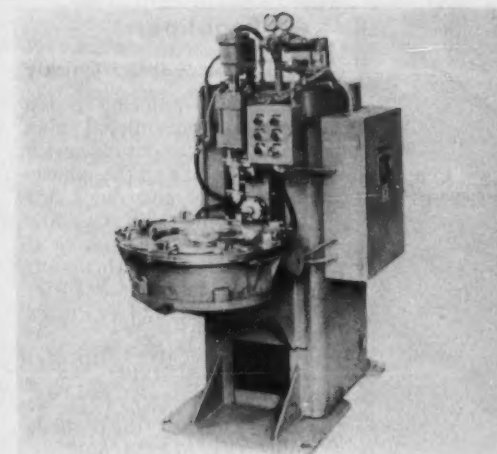
## Typewriter

Has Long Carriage

Extra long carriage allows use of portable typewriter for statistical and other odd-size sheet work. Machine has automatic key dejammer, segment shift mechanism, and paper line meter. It has half-line spacing and carries a 5-year warranty.

Price: Approx. \$125. Delivery: immediate.

Central Business Machines Corp., 75 Cliff St., New York 38, N. Y. (PW, 12/26/60)



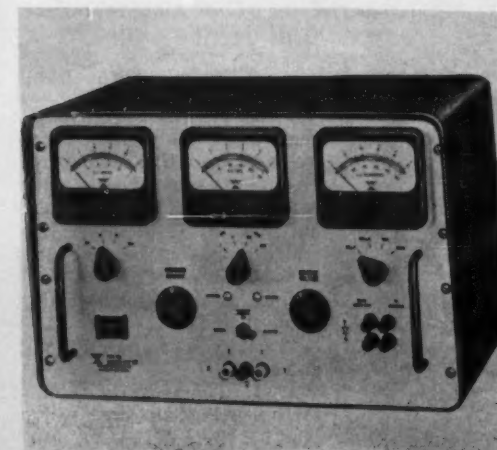
## Welding Machine

Boosts Output

Dial indexing, welding machine increases production of subassemblies. It is available with a wide variety of tooling and controls for specific requirements. Low inertia, antifriction welding head offers selective deflection firing.

Price: \$6,500 to \$14,000. Delivery 6 to 13 wk.

Acro Welder Mfg. Co., 1719A W. St. Paul Ave., Milwaukee 3, Wis. (PW, 12/26/60)



## Rectifier Analyzer

Tests Wide Range

Instrument tests semiconductor rectifiers at ratings combinations from 100 ma. to 20 amp. at 0 v. to 1,000 v. It tests under operating conditions and evaluates heat sink. It is suited for incoming and on-line inspection.

Price: \$855. Delivery: 2 wk.

Wallson Associates, Inc., 912-914 Westfield Ave., Elizabeth, N. J. (PW, 12/26/60)

This Week's

## Product Perspective

DECEMBER 26-JANUARY 1

NEW MATERIALS are flooding the market without letup. Some give the plant an entirely new tool, while others add to the flexibility of proven routines. Here is a roundup of the latest new materials:

• **"T-1" Type A steel** promises significant savings in the fabrication of stronger, lighter steel structures and equipment. It is available in quenched and tempered plates and bars ranging from  $\frac{1}{8}$  in. to 1 in. thick. The new steel has the same 100,000 psi minimum yield strength as "T-1" (which was introduced in 1953) yet costs significantly less because of differences in chemical composition. Typical uses include: bridges, buildings, earth-moving and mining equipment, truck frames and bodies, oil field rigs, and missile launchers. U. S. Steel Corp., Pittsburgh.

• **Highly corrosive-resistant plastic** can withstand continuous temperatures of up to 300 F. CF-9070 is flame retardant and resists practically all acids and alkalis. It is reinforced with fiberglass and especially suited to production of tanks, pipe, and ducting. Beetle Plastics Corp., Fall River, Mass.

• **Silver 99.999% pure** is now available in large commercial quantities. Designated as Grade E-4 or "Spectropure," it will sell at about a 30% premium over standard commercial 99.9% purity grades. The metal is being produced in three forms: needles of 1 mm to 3 mm maximum dimension; 2x4x15 in. ingots; and 3x4x8 in. ingots. Englehard Industries, Inc., Newark, N. J.

• **Styrene/acrylonitrile copolymer** has higher heat resistance, chemical resistance, and strength than previous formulations. It can be readily molded or extruded at temperatures about 20 F higher than those normally used. Suggested applications include: battery cases, oil and water filter bowls, fan blades, closures. Dow Chemical Co., Midland, Mich.

• **New grade of Cellosize hydroxyethyl cellulose** lets paint formulators drastically reduce time and attention involved in thickening both exterior and interior paints. When mixed with water, Cellosize QP-15,000 forms a smooth, fluid slurry that will not begin to thicken for 10 to 15 minutes. It can be added to the pigment grind, or at any other convenient step in the formulating operation. Priced at 84¢/lb. (truckloads), it can also be used as a thickener, film former, binder, and water retainer in the textile, paper, adhesive, leather, and cosmetic industries. Union Carbide Chemicals Co., New York.

• **Plastic packaging film** meets military specifications (MIL-F22191, Class II and III) at 30% lower cost than heavier-gage laminations previously needed. The polyethylene-Mylar laminate (2 mil and  $\frac{1}{2}$  mil thick, respectively) has excellent machine-forming and heat-sealing characteristics. The film is identified as 2091 EB. Continental Can Co., New York.

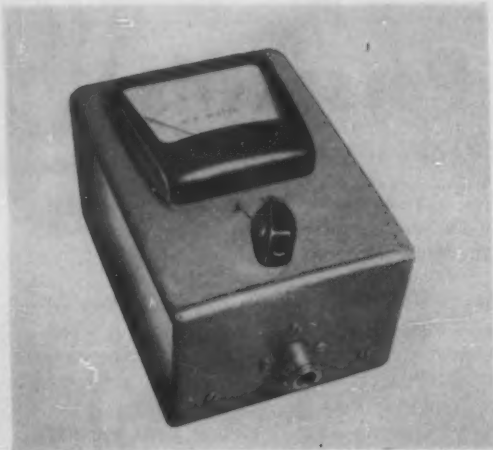
• **Flame-retardant plastic laminate** has a paper base with a flame-retardant phenolic resin binder. It may be punched at room temperature and is self-extinguishing. Grade FR-2 comes in sheets and strips—either plain or copperclad on one or both sides. This new material may be used for electrical or electronic components, TV transformer parts, terminal boards, arc barriers, switchgear components, printed circuit boards, and computer components. Synthane Corp., Oaks, Pa.

• **Color coating (designated Hinac)** bonds to all metals in a single treatment. The coating comes in several grades, which are corrosion resistant, have good weathering properties, and are color fast. Hinac can be applied by roller, dip or spray. Only pre-treatment required is a good cleaning and rinsing job. Curing time ranges from a few seconds up, depending on the drying temperature. Available in clear, red, brown, green, blue, black, gray, and bronze. Pennsalt Chemicals Corp., Philadelphia, Pa.

• **"Color acceptors",** blended into latex compounds, now make it possible to dye latex fabric backings the same color as the rest of the fabric. Conventional backings will not take dye and remain white or a drab yellow to show through loosely woven fabrics. Compounds containing the new acceptors can be colored with standard dyes used on nylon, acetate and other materials. Naugatuck Chemical Div., U. S. Rubber Co., Gastonia, N. C.

• **Titanium alloy, containing 8% aluminum, 1% molybdenum, and 1% vanadium, is under test.** It shows good creep resistance and usable tensile strength to 900F. Uses include jet engine applications. Titanium Metals Corp., New York.

# Your Guide to New Products



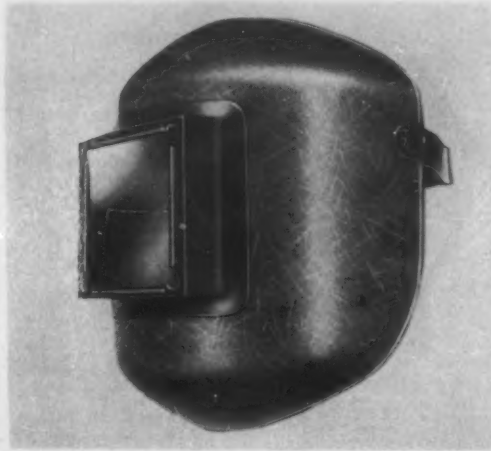
## R.F. Meter

### Tests Low Power

R. F. power meters measure from .2 mc. to 700 mc. Ranges include: 150 mw. and 600 mw. full scale; 500 mw. and 1,500 mw; and 1.5 w. and 6 w. No correction curve is necessary to cover the frequency range. Accuracy is  $\pm 5\%$ .

**Price:** \$95. **Delivery:** 30 days.

**Electro Impulse Laboratory, Inc., 208 River St., Red Bank, N. J. (PW, 12/26/60)**



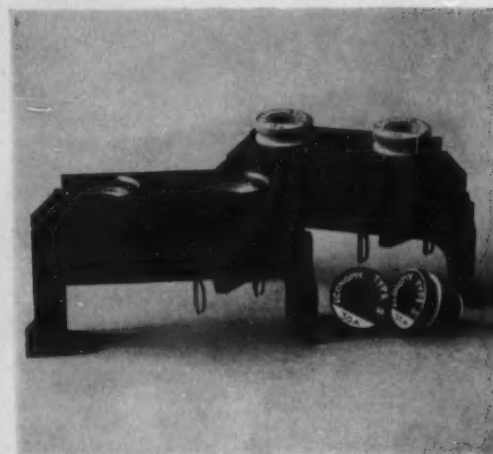
## Helmet

### Has No Metal Parts

Fiberglass helmet for welders has neoprene retainer which takes  $4\frac{1}{2}$ -in. x  $5\frac{1}{4}$ -in. lens. Nonmetallic parts eliminate electrical conductivity between exterior and interior. Rubber retainer serves as shock absorber and reduces heat transfer.

**Price:** \$17.10. **Delivery:** immediate.

**Chicago Eye Shield Co., 2727 West Roscoe St., Chicago 18, Ill. (PW, 12/26/60)**



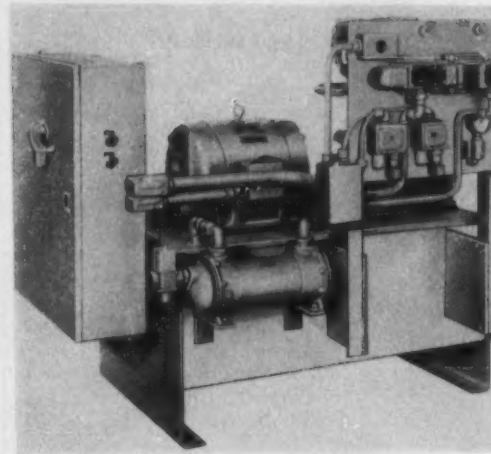
## Fuse Base

### Needs No Adapter

New stab-in fuse base units, designed for 15 amp. and 30 amp. fuses, combine safety, non-interchangeability, and ease of inspection. They have no fuse shells; casing is molded to narrow shank size that rejects all but S-fuses.

**Price:** \$4. **Delivery:** immediate.

**Federal Pacific Electric Co., 50 Paris St., Newark 1, N. J. (PW, 12/26/60)**



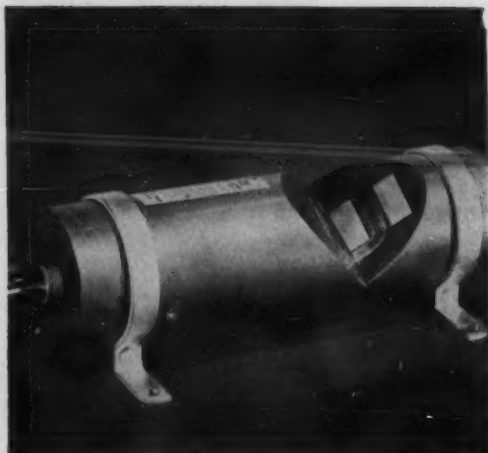
## Hydraulic Pump

### Gives High Oil Pressure

Continuous booster, hydraulic pump gives oil pressure to 5,000 psi. Unit has standard 30-gal. and 60-gal. reservoir capacities with constant or variable pump volumes to 32 gpm.

**Price:** From \$2,195. **Delivery:** 2 to 6 wk.

**Hannifin Co., 501 S. Wolf Rd., Des Plaines, Ill. (PW, 12/26/60)**



## Ballast

### Resists Elements

Totally weatherproof fluorescent light ballast is sealed in a special compound. Solid case keeps out moisture and dust, and cannot rust or corrode. Pipe-threaded nipple permits direct connection to any suitable junction box.

**Price:** \$18.15 to \$34.00. **Delivery:** immediate (after Feb. 1).

**General Electric Co., Ballast Dept., Danville, Ill. (PW, 12/26/60)**



## Air Regulator

### Adjusts Quickly

Pressure reducing valve replaces conventional fine thread and tee-handle screw with lever plus coarse adjusting screw to give quick adjustment. A 180 deg. turn of the lever adjusts from 0 psi. to 60 psi. Maximum primary pressure is 300 psi.; maximum secondary pressure, 125 psi.

**Price:** \$17.10. **Delivery:** immediate.

**Wilkerson Corp., 1711 W. Girard Ave., Englewood, Colo. (PW, 12/26/60)**



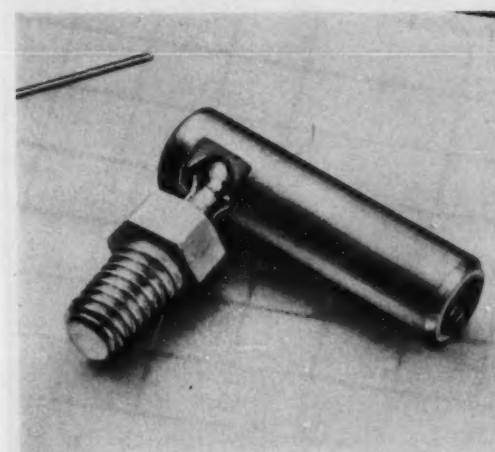
## Cutting Tool

### Increases Feed

Rigid end mill, which permits increased feeds and speeds, is designed for customers who use only the ball end or a very small part of the cut. Tool has two flutes and is available in single or double end. Diameters are  $\frac{1}{8}$ -in.,  $\frac{3}{16}$ -in., and  $\frac{1}{4}$ -in.

**Price:** \$2.20 to \$3.50 (single end) and \$3.50. **Delivery:** immediate.

**Fastcut Tool Co., 25425 Mound Rd., P. O. Box 395, Warren, Mich. (PW, 12/26/60)**



## Ball Joint

### Only $\frac{1}{4}$ -in. Dia.

Miniaturized ball joint has shell  $27/32$  in. long with a  $\frac{1}{4}$ -in. dia. Ball screw is  $\frac{5}{16}$  in. long to the ball center with  $\frac{1}{4}$ -in. hex wrenching flats and 10-32 thread. Female threads in the tapped hole of the shell run from #4 to #10. Unit is cadmium-plated.

**Price:** 5¢-15¢. **Delivery:** immediate.

**J. J. Tourek Mfg. Co., 1901 S. Kilbourn Ave., Chicago 23, Ill. (PW, 12/26/60)**



## First Industrial Building Exposition Emphasizes Cost-Saving Aspects of Prefabricated Material

New York—Companies across the country are finding that they can cut building costs by using prefabricated materials.

Exhibitors at the First Industrial Building Exposition, held in New York's Coliseum this month, were generally agreed that the big reason for the popularity of these materials is the cost factor, but they also stressed prefab's other advantages:

- More durable finishes, which reduce maintenance costs.

- Modular engineering concepts, which permit a flexibility within a basic design.

- A wide choice of designs and finishes, in keeping with recent trends to use buildings as advertising and public relations symbols.

Aluminums, steels, and concretes are vying with each other as structural building components. Although entire build-

ings of steel and pre-cast concrete may be factory-constructed and assembled on the site, the major prefab use is not in the complete buildings, but in prebuilt modular panels. Prefab panels now are available for every part of plant construction from floor to roof.

Major materials suppliers at the exposition offered a number of such components. For example:

Thin panel siding units with both interior and exterior wall faces pre-finished have complete insulating material between them. The 3-in. panel has insulating qualities equal to that of a 12-in. masonry wall. The interlocking panel ends with gasket seals are easily put up with a few fasteners.

Concrete wall panels as large as 10 ft. x 30 ft. function as both exterior wall and finish, interior wall, and provide all insulation. As with other prefabricated materials, a minimum of joints are presented for sealing, and plant fabrication vastly reduces the influence of bad weather.

Channeled steel roofing panels of various gages with 36-in. covering width can be ordered at any practical length. The roofing is screwed into place. It has received five protective coatings applied in the factory to provide maximum endurance.

For heavy-duty but mobile industrial flooring, Stelcon of New York City showed its prefabricated flooring sections which are rafts of concrete and may be lifted out for replacement or for sub-floor repairs.

As with all panel units, this flexibility adds to the attraction of the prefab component in that damaged segments may be replaced with minimum cost and effort.

Solid panels do not have a monopoly in prefabrication. Translucent, sandwich panels of fiberglass-reinforced polyester sheets are structural components for siding roofing, and skylights.

Controlled application of finishes is a major selling point of the manufacturers. Alcoa claimed the factory-applied baked enamel finishing on its aluminum siding would last 10 to 15 times as long as a coating brushed on at the site.

The industrial architectural firm of Lockwood Greene Engineers, Inc., told PURCHASING WEEK: "Prefabricated materials are becoming more important because they retain color, design, and, what is more important, texture."

The big reason for an increase in concern over appearance is the use of plants and office buildings as corporate symbols. In answer, suppliers are offering textures, for example, ranging from embossed adobe surfaces of aluminum to pebbled mosaic effects of precast concrete.

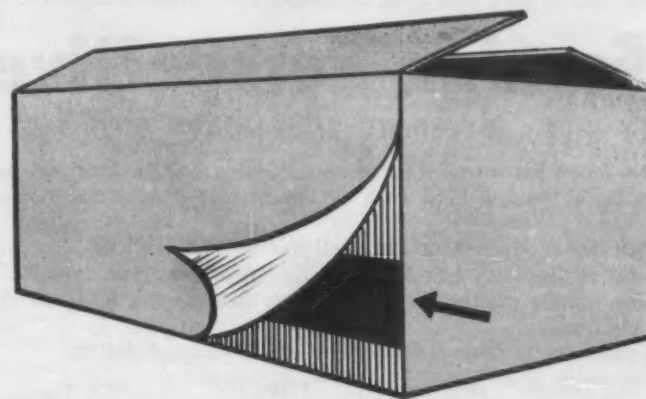
A novel, prefabricated, insulating/acoustical material is made of Korean rice straw. This functional product of the Tectum Corp. is of sufficient strength to serve as a supported foundation surface for a poured concrete ceiling. When the supports are removed, it remains as the ceiling finish and eliminates any need for finishing or installation of acoustical blocks.

### Expansion Program at Babcock

Alliance, Ohio—Babcock & Wilcox Co. is launching an expansion program to meet the growing demand for welded carbon steel tubing.

The company's half-million-dollar program is aimed at tripling production of cold drawn tubing at its Keystone plant here. The new facilities also will permit production of smooth ID cylinder tubing and heat exchanger tubing.

Demands for the tubing increased last year when the Joint Industry Conference adopted new hydraulic standards for industrial equipment, including specifications for welded carbon steel tubing.



REINFORCING STRIP (arrow) gives corrugated container extra strength where needed—eliminates costly overpacking. This departs from the concept of building up the entire package. Olin Mathieson's Packaging Div. has developed strength analysis procedures to determine proper placement of a reinforcement strip as required by the product to be packaged. The strip is laminated between the corrugation and the outer liner during manufacture of the container. Tests have shown that strip reinforcement can increase bursting strength by 60% and increase container puncture resistance by 48%.

"I get all my charts with just one order!"



"I used to have to buy recording charts from about as many different companies as we had instruments in the plant. Not now—not with that new GC Recording Chart one-order service!"

You, too, will benefit from GC's "one-order service". You'll save time and money and paperwork when you make out just one purchase order for all your company's chart needs.

Only GC keeps more than 15,000 different types of circular, strip and rectangular charts constantly in stock. Our ready-to-ship inventory averages some 8,100,000 items, all produced under controlled-humidity conditions and kept current by GC's own electronic data processors.

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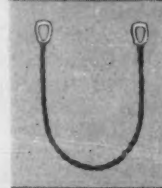


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# Foreign Perspective

DECEMBER 26-JANUARY 1

Tokyo—Japan has assessed the potential of its machine tool industry to find out where it will stand in 1962 when the government plans to free Japan's foreign trade.

Machine tool production in 1962 will top \$250-million, or 3.6 times that of 1959, a survey by the Japan Machine Tool Industry Assn. revealed. At this rate, the association predicts 1965 production will go over \$280-million, second only to the U.S.

The breakdown by product for 63 firms (in millions of dollars):

	1959	1960	1961	1962
Lathes	23.5	41.6	63.1	80.0
Drilling Machines	6.6	10.8	18.0	21.0
Boring Machines	4.5	13.0	26.5	40.2
Milling Machines	8.3	17.1	26.5	34.1
Planing Machines	1.4	2.0	3.1	4.3
Broaching Machines	0.4	1.0	1.0	Uncompiled
Grinding Machines	11.5	19.7	27.3	31.1
Gear-Making M.	2.1	5.0	8.1	10.3
Misc.	11.2	24.0	24.9	30.0
Total	69.5	134.2	198.5	250.8

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Paris—The United States and 19 western nations are now linked in an economic cooperative.

The U.S. signature on the charter of the OECD (Organization for Economic Cooperation and Development) marks the first time this country has joined an international economic group of this size.

Aim of the organization is to harmonize economic efforts. Members must now ratify the new organization, expected to be in operation sometime after next Sept. 30.

Toronto—Uranium as a steel alloy is a possibility in two to three years. Metallurgical experts agree it will take this long for the government's just-patented development for such a process to be fully tested.

Practical use is seen primarily in tool steels, if it can best molybdenum and tungsten in price. It would have to battle titanium as an alloy in high-strength steels in the aircraft industry.

London—The British steel industry set a new production record last month, despite the current slump in the motor and appliance industries.

The average weekly output of \$504,500 long tons was 7,500 tons above the previous record, reached in October, and 10% above the November 1959 level. The current output is equivalent to 25.2-million tons a year.

Outlook is for production to remain at a high level in early 1961, the recession in durable consumer goods being more than offset by the rising demand from construction and metalworking industries. Overseas suppliers are thus bearing the brunt of the automobile industry recession, with sheet metal imports regularly decreasing since July.

## Kaiser Cuts Bauxite Output

Kingston, Jamaica—Kaiser Bauxite Co., Jamaica's largest producer of bauxite, has cut production by 50% and is laying off some of its working force.

Through March, 1961, Kaiser will ship only about 200,000 tons of bauxite a month, instead of the usual 400,000 tons, the company said.

Jamaica's two other bauxite producers, Alumina Jamaica and Reynolds Jamaican Mines, reported that their operations would continue as usual. Alcoa Aluminum is proceeding with plans to begin mining operations on the island in 1963 or 1964.

## Fibreboard Company Sold

Montreal—Dominion Tar and Chemical Co., Ltd., has purchased Prairie Fibreboard Ltd., Saskatoon, Sask., for \$2,251,100. Prairie Fibreboard manufactures insulating board and hardboard.

# In the World of Sales...

Robert W. Anderson has been promoted to New England district sales manager, Arcos Corp., Philadelphia.

S. Kenneth Neill has been elevated to sales manager-industrial products, California & Hawaiian Sugar Refining Corp., San Francisco.

John R. Warner has joined Ferry Cap & Set Screw Co., Cleveland, as sales promotion manager. He was formerly with Acme Machine Products, Div. of Serrick Corp.

John A. Zabo has moved up to sales promotion manager, Weldon Tool Co., Cleveland.

William S. Barnum has been appointed assistant manager of tubular sales, Kaiser Steel Corp., Oakland, Calif. He succeeds Jack H. Webber, who was named manager of Kaiser Steel's Mid-Continent sales district, Tulsa, Okla.

Edward Resener has been assigned the post of sales manager, Foundry Div.,

## Perkin-Elmer Joins Hitachi In Setting Up New Company

Norwalk, Conn.—Perkin-Elmer Corp. and Hitachi, Ltd., of Tokyo have agreed to set up a jointly owned company to develop, manufacture, and sell scientific instruments on a world-wide basis. The new firm, called Hitachi Perkin-Elmer, Ltd., will have its company headquarters in Tokyo.

Terms of the agreement, still subject to validation by the Japanese government, permit cross-licensing for manufacture and sale of each company's products by the other. In addition, sales agreements are planned whereby Hitachi's sole sales agent for scientific instruments, Nissei Sangyo, will become the importer of Perkin-Elmer products into Japan. Perkin-Elmer and its subsidiaries will export Hitachi instruments to other countries of the world.

Hitachi, Ltd., is the largest industrial company in Japan, with sales of nearly \$600-million. Perkin-Elmer has five plants in the U. S., one in England, and one in West Germany.

Dean Bros. Pumps Inc., Indianapolis. He was formerly with C & G Foundry & Pattern Works.

R. H. Green has been given the newly created post of general sales manager, W. P. Fuller & Co., San Francisco.

C. W. Ziemer has been appointed general sales manager and F. C. Prescott has been made assistant to the general sales manager, Mirro Aluminum Co., Manitowoc, Wis.

Robert Vassar, Jr., has been promoted to sales manager, Gulf Oil Corp., Jackson, Miss. He succeeds D. T. Ketchum, who has been promoted to supervisor of dealer and sales training for the Jackson area.

John W. Eder, Jr., was advanced to general sales manager, Chicago Eye Shield Co., Chicago.

William J. Bird has been named director-fleet sales, Chrysler Corp., Detroit.

Edmund E. Farrell has filled the newly created post of area sales manager, Western area, Motorola Semiconductor Products, Inc., Phoenix.

Leonard L. Saxton has joined Electro-Mechanical Div., American Electronics, Inc., Fullerton, Calif., as New York district sales manager.

William A. Meyers has taken the post of assistant director of sales, REA Express, Detroit, and has been succeeded by George R. Marz as district sales manager. Marz's former post of district sales manager in the Newark office has been filled by George L. O'Neill.

Tom Carmichael has been assigned the post of paint sales manager, W. P. Fuller & Co., Honolulu district.

James H. Zwemer will succeed Carlton M. Dean as director of the engineering sales dept., Inorganic Chemicals Div., Monsanto Chemical Co., St. Louis, Mo.

E. K. Carneri was appointed export sales manager, A. S. Aloe Co., St. Louis, Mo.

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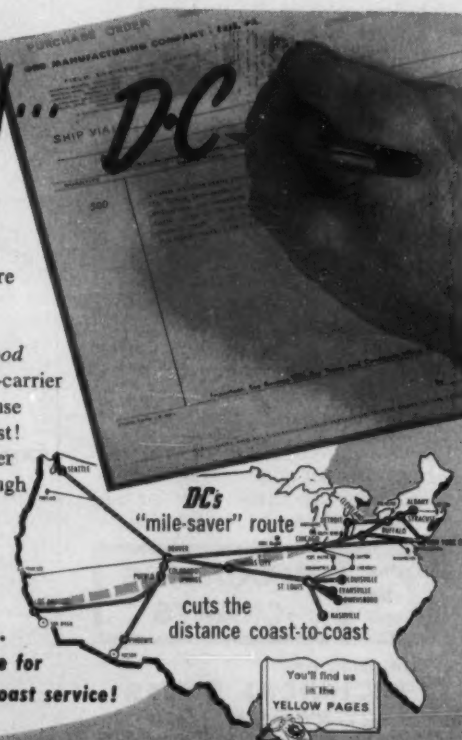
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# NAPA Promotes Plan to Raise P.A.'s Stature

(Continued from page 1)  
Eubanks said NAPA must foster the growing interest of leading educators in the purchasing function as a career profession.

## Must Train Teachers

"We simply must supply the finances to train men in the teaching profession in schools of purchasing," Eubanks, purchasing director for Riegel Textile Corp., told PURCHASING WEEK. "These men will not only form a nucleus of competent instructors, but in turn will be in position to write textbooks and papers that can be offered to undergraduates."

The NAPA's proposed college and university education program, as drawn up by the Professional Development Committee headed by Harold A. Berry of the Rock Island Railroad, includes these principal features: scholarship aid to undergraduates, faculty internships, fellowships and grants, purchasing professorships, purchasing thesis writing, programs for purchasing executives, organization of a schools and colleges division, and academic membership in NAPA.

## Approval Needed

Financing of the program hinges to a great degree on membership approval of a proposed \$7 increase in national association dues plus the backing of

NAPA district officials and other top officers.

Berry's Professional Development Committee has drawn up a tentative budget calling for expenditure of some \$666,000 over the next five years.

Eubanks pointed to the cooperation received by NAPA from university faculty members in formulating the proposed program. An "Educator-Purchaser" seminar held last month in Chi-

cago was attended by professors from the University of Wisconsin, Harvard Business School, the Wharton School of the University of Pennsylvania, Michigan State, University of Detroit, Dartmouth, Arizona State, North Texas State, and New York.

These educators, Eubanks said, are "literally crying for the opportunity to establish degrees, schools, and even chairs of purchasing in their own schools."

# New 'One-Shot' Operation Bonds Foam to Steel in Furniture Making

(Continued from page 1)  
production methods. The process works like this:

A rigid tubular steel frame is placed in a mold with a cavity surrounding it. Urethane chemicals are added, and as they react with the air they produce a foam covering on the frame. The "one shot" application is tied in with a slight warming process which bonds the foam to the steel. Major advantage of the new technique is that no adhesive or similar bonding material is needed.

The new bonding technique provides soft edges which do not mar or chip, light weight, and durability.

The Schnadig firm holds the patent rights on the construction methods. The company's Karpen Furniture Division plans to introduce five new chair models at the Chicago Furniture Market in January.

## No Prices Yet

It is understood the foaming of the chair frames will be done at the Marion, Ind., plant of General Tire. Upholstering will be done in Chicago by Karpen.

The company has not published any prices for the new furniture line, but it is expected they will be competitive with the company's present line of products.

# All Containers Watching Fate of New Can Prices

**New York**—The boost in metal can prices scheduled to go into effect Jan. 1 may spill over into other firms of containers, industry sources reveal.

Producers of glass containers are said to be particularly anxious to raise prices. They feel their tags are too low now, but until recently the possibility of increases was largely discounted because of the pressure of competition from makers of metal, plastic, and paperboard containers.

## Laying Groundwork

Can producers have been laying the groundwork for their price increases for the past two months. The scheduled boosts range from 1% to 3½% (see PW, Nov. 14, '60, p. 1 and Dec. 12, '60, p. 34).

A stronger demand for glass containers in 1961 may make it easier for producers to raise prices. Peter W. Hoguet, president of the Econometric Institute here, predicts that total demand for glass containers will hit 170.1-million gross next year. This is 7% above the estimated level of 1960 shipments of 159.1-million gross.

Hoguet bases his forecast on the expectation of a gradual upturn of the economy during 1961, resulting in gains of about 6.8% in disposable income and 4.8% in real disposable income. The latter item is the key factor in determining glass container demand, Hoguet says.

## Outstanding Points

Some outstanding points:

• Demand for glass containers for food will run about 69-million gross next year, a gain of about 6% over 1960.

• Shipments of medicinal and health glass containers will rise about 12% in 1961 to about 24.3-million gross.

• Demand for household and industrial glass containers will increase 5%, to 13.9-million gross.

• A 9% rise to 10.4-million gross can be expected for returnable beverage bottles, while shipments of nonreturnable bottles in this category will increase 24%, to 2-million gross.

• Demand for returnable beer bottles will fall 5% below estimated 1960 shipments, to 3.1-million gross. Demand for nonreturnable beer bottles, however, should rise 2%, to 13.4-million gross.

In the field of medicinal glass bottles, Chas. Pfizer & Co., Inc., has announced that two of its sales divisions, Pfizer Laboratories and J. B. Roerig and Co., are revamping their lines of drug bottles to eliminate odd sizes. The standardization program will reduce the number of bottle styles from 33 to 13. The new bottles will replace the older containers as existing inventories are depleted.

In another development in the packaging industry, Owens Illinois Glass Co., the nation's largest glass manufacturer, reports that blow-molded high density polyethylene bottles are one of the fastest growing items in the field. Owens Illinois predicts that production of the blow-molded container, for all purposes which was about 400-million units this year, will reach 700-million in 1961 and may approach the 5-billion mark by 1965. New uses for the bottle include packaging

of shoe polishes, waxes, shampoos, mouth washes and gargle, hand lotions, and rubbing alcohol.

American Can Co. also has moved to enlarge its position in the packaging field with the introduction of a new two-quart plastic laminated milk container. Coinciding with this development, American Can has formed a new product division, its fifth, charged with the responsibility for production and sales of paperboard milk containers.

Addition of the new two-quart container will broaden the company's line of products for the milk industry to include cartons formed in the dairy as well as the factory-made flat top container, which has been sold for many years.

This Week's

# Purchasing Perspective

DEC. 26-  
JAN. 1

(Continued from page 1)

over-all outlook for a year of significant gains for business.

• **Consumer spending.** Consumers will spend more than ever before in 1961—probably a record \$336.5-billion, an increase of around \$9-billion (about 3%) which will be concentrated in higher outlays for soft goods and services. Spending for durables (autos, appliances, etc.) appear to be in for a substantial decline from this year's \$43-billion to \$41-billion.

• **Business spending.** Declines are anticipated in 1961 in this major sector of the economy. Total business inventories probably will be lower and investment in new plants and equipment will slip about 5% to 7% from 1960.

• **Government spending.** This area appears due for an increase of about \$6-billion. About half of the boost will be in federal government outlays (probable total \$55-billion); the rest will come from increased expenses of state and local governments.

• **Export shipments.** After rising by 20% this year to over \$19-billion, exports next year will aim for about \$20-billion. About 4% higher than in 1960. Imports are expected to increase only slightly, and export gains will exceed them.

Here's how McGraw-Hill's survey of 1961 trends shapes up for some of the basic industries:

**Steel**—A decline of 5% in production of ingots and castings from 100-million tons this year to 95-million tons.

**Nonferrous metals**—Aluminum, copper, zinc, and lead producers will ship about the same total tonnage as they shipped this year.

**Metalworking**—Shipments by industries in this category will rise less than 1% over this year's record volume of \$141-billion.

**Metalworking Machinery**—Anticipated shipments will rise 6% in 1961.

**Electrical Apparatus**—This industry expects its best year ever. Manufacturers of transmission, distribution and generating equipment foresee a 4% gain in physical volume of shipments.

**Electronics**—A gain of 8% over 1960 will give this industry record sales of \$11.5-billion in 1961.

**Appliances**—The outlook is for a 5% gain over a disappointing 1960.

**Automobiles**—A drop to 6-million units from 1960's 6.6-million (government economists forecast only a 5.8-million unit output).

**Controls and instruments**—Another 5% gain in 1961 is forecast following this year's sales gain of 6%.

**Chemical process**—Physical volume of production is expected to go up 2%.

**Petroleum**—Combined domestic and export demand for all products will rise by 2.2% to nearly 10.1-million bbl./day.

**Textiles**—The 1960 momentum promises to carry over into 1961 with little if any lessening.

**Retail trade**—Sales are expected to total \$225-billion, a gain of 2% over 1960.

**Construction**—Quickening activity is forecast. Value of new production put in place will hit a record estimated at \$58-billion—a 6% increase.

# Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
<b>INCREASES</b>			
2-chloro-4-nitroaniline, dry, 100%, lb.....	.14	\$1.00	incr. costs
Sulfur, bright & dark, Pan Am., long ton.....	\$2.00	....	growing demand
Capacitor units, 50 & 100 kvar, G.E.....	4.85%	....	R & D allowance
Polystyrene, Dow, lb.....	.01	.19	R & D allowance
Salicylamide, N.F., lb.....	.05	\$1.10	good demand
Gum turps., So., gal.....	.005	.47	short supply
Plumbing brass, Bridgeport Brass, an. 9.....	3-5%	....	high costs
Acrylic fiber (Creslan),			
Bright & semi-dull staple, lb.....	.02-.04	.95-\$1.22	good demand
<b>REDUCTIONS</b>			
Zinc, prime West, East St. Louis, lb.....	.005	.12	oversupply
Zinc dust, pigment grade, carlots, lb.....	.005	.16	metal cut
Zinc alloys, No. 3, lb.....	.005	.15	metal cut
No. 5, lb.....	.005	.1525	metal cut
No. 2, lb.....	.005	.155	metal cut
2-Ethylhexal acrylate, carlots, lb.....	.03	.395	competition
Tin salts, Potassium stannate, lb.....	.004	.78	metal ease
Sodium stannate, lb.....	.004	.638	metal ease
Tin crystals, anhyd., lb.....	.006	\$1.001	metal ease
Valonia, beards, ton.....	\$20.00	\$87.00	good supply



# Vendors Still Wooing Buyers as Leap Year Ends

(Continued from page 1)  
crease than a labor cost increase."  
The year-long sag in industrial prices has many companies in a fighting mood.

• Most firms indicated they would install price increases tomorrow to overcome mounting material and labor costs—if they thought they could make the increases stick.

• But until that time comes, many firms figure the best they can do is dig in more strongly against further discounting and shading of list prices—and try to push through an increase here and there on individual products.

## Nothing Till Mid-Year

Most firms were sure that steel producers, now struggling along at less than 50% of capacity, would move slowly in announcing any price increases—selective or otherwise—despite their increasing labor costs. Confident, although somewhat foggy about their own and the general business outlook, many industrial spokesmen said they did not expect any action from steel until late in the second quarter—or not until mid-year.

A few executives argued however, that even with a steel price hike, foreign and domestic competition would force them "to eat" the increases. "How can we expect to hike our prices in 1961, no matter what steel does," said a western New York stampings manufacturer.

Inability to focus clearly on the current business outlook hampers many manufacturers in their pricing plans. For them, demand for their products will have to increase substantially over current levels before they can firm their sagging price structures.

Concern over the increasing volume of foreign competition dominated the pricing woes of many manufacturers in PW's survey. A North Carolina manufacturer of fasteners complained that "foreign producers undersell us by a wide margin. We're also in a pinch to meet domestic prices. I think most of our price troubles are a direct result of imports."

## Barometer Down 8%

Despite downward pressures on basic materials prices (PW's Industrial Price Barometer has sagged 8% since recording its 1960 high last January), most manufacturers expressed concern over how long they could retain current price levels to meet competitive forces in the face of rising costs. Few had any definite answers, but most agreed they would continue to absorb costs until there's a substantial increase in demand.

One way out of the price-cost squeeze, some company officials said, will be through less price shading and few informal price discounts next year. "We'll begin to sell at published prices more and more," an executive of one of the company's major electrical equipment manufacturers declared. He said many big companies had enjoyed a buyers market all year and published prices didn't mean a thing, "but those days are over now."

Another executive noted that many labor increases were not passed on to customers in 1960.

"It may be time to start passing them on again," he said, "but first we'll have to get published prices." A spokesman for one big Eastern copper fabricator put it this way:

"We've got to play every big transaction by ear—cutting discounts when there's a temporary spurt in business, raising them again when demand dries up."

## Around the Industries

Here's how the price situation now shapes up in some of the major industries:

**Nonelectric machinery**—A spot check of firms in this area reveals a wide diversity of opinion.

On the bullish side, a spokesman for Allis-Chambers, the big Midwestern equipment maker, anticipates "some scattered price boosts ahead—probably later on in the year." He feels "prices are generally too low in the capital goods field. We cannot absorb any further costs—and certainly a steel hike would have to be passed on."

J. R. Steelman, president of Koehring Co. (construction machinery) believes "pressure generated from some material and labor costs will have to be passed on in 1961." Price increases probably will range from 2% to 5%, says Steelman.

But another maker of general purpose machinery isn't nearly so optimistic. "Despite an expected

about run their course." He sees a "leveling off or gradually higher prices for the electrical manufacturing industry generally."

Further confirmation of possible firming comes from a western New York producer. This executive looks for "a gain in sales for the second half of the year with some increase in defense business. It means we might be able to nudge through an average price hike of 1% to 3%, depending on the course of general business."

A dissenting note is contributed by John Conrad of the S. & C. Electric Co., located in the Chicago area. He feels his industry was a "principal target of price cutting in 1960." He sees no change in the situation until demand catches up with supply. He also feels foreign competition a "real industry depressant."

**Auto Parts**—Here is another area where spotty increases may be in the cards. Thompson-Ramo-Wooldridge, of Cleveland, for example, thinks there will be some attempt to negotiate price increases proportional to any cost increases—on parts supplied to the original equipment market.

The president of another Cleveland-based firm, hedging a bit more on possible increases, contends, "there will be some price increases in automotive parts—but only in isolated instances where costs approach selling price." He adds, "A steel price increase won't mean an across-the-board increase. We would have to study each case individually."

For other firms, steel will be the major factor. Says Brouwer D. McIntyre, president of Detroit's Monroe Auto Equipment Co., "our contracts with the auto companies are based on steel prices. We can legitimately pass on steel price increases to them."

**Office Equipment**—Despite an anticipated 10% gain in sales, foreign competition in this field continues to grow. An official of Burroughs Corp. notes that "in the face of foreign competition we recently announced substantial (10%) price reductions on most of our small machines." He goes on to say, "But we can not be expected to reduce them any further. For I expect to see labor costs go up 2% to 3% next year. If so, the price of our products can be expected to follow suit."

One Eastern office equipment maker is not quite so optimistic about prices. He sees "shady discounting particularly in adding machines again next year. Moreover, it could increase, and spill over into other areas." This official adds: "You as an individual buyer could probably get a 10% discount on an adding machine if you shop around carefully."

**Electronics**—A spokesman for Ampex, a San Francisco area-based firm, reveals that "price increases are due in selected product lines but they will be very mild. Competition in the electronics industry is becoming stiff enough to rule out any large boosts."

Already planning some boosts is the Electronic Components Div. of the Telecomputing Corp. of North Hollywood, California. C. H. Feltman, Jr., general manager, estimates that "prices on

# Late News in Brief

## Steel Scrap Prices Move Up

**Chicago**—The prices of six grades of steel scrap jumped \$1/ton last week in the first upward movement of scrap steel prices in three months. Affected were: No. 1 dealer heavy melting at \$26; No. 1 dealer bundles at \$27; No. 2 heavy melting at \$24; No. 1 machinery cast at \$43; No. 1 cupola at \$38 and low phosphate punching scrap at \$34.

## Kennecott Mine Faces Strike Threat

**New York**—Kennecott Copper's Braden mine in Chile was threatened with a strike as negotiations between union and management reached a critical stage last week. The Chilean Conciliation Board, in an attempt to speed a settlement before the Dec. 31 contract deadline, asked both sides to submit final wage proposals. The union has demanded wage hikes of from 40% to 50%.

## Canadian Dollar Takes Sharp Drop

**New York**—The Canadian dollar took a sharp drop in the premium it holds over the American dollar. The premium, which has been drifting downward, fell  $\frac{3}{4}$ ¢ to 1.2¢ above the dollar. If the premium holds or continues to decline, it's possible Canadian export prices may come down slightly. The drop means a smaller exchange loss to Canadian exporters, who have generally absorbed the premium in sales to U. S. companies.

## U. S. Rubber Markets New Truck Tire

**New York**—U. S. Rubber Co. has begun producing truck tires with treads containing a blend of natural rubber and polybutadiene synthetic. The tires are said to run cooler and give longer service than all-rubber or all-synthetic tires. This is the first commercial use of polybutadiene, the company said.

## Steel Plants Take Holiday

**Pittsburgh**—At least eight major steel companies have shut down plants for the Christmas holidays. Closings vary from a few days to more than a week.

They include: Youngstown Sheet & Tube; Wheeling Steel; Acme Steel; oxygen converter plant in Chicago; National Steel's Great Lakes Div.; Sharon Steel Corp.; Crucible Steel; Allegheny Ludlum, and Kaiser.

capacitors, magnetic amplifiers, and delay lines will only hold steady on large quantity orders. On smaller orders, prices will gradually sneak up an average of 5% to 6%."

"On the other hand," adds Feltman, "we will be cutting the price on relays by as much as 50% early next year—thanks to the starting up of a semi-automated product line."

The general trend toward overall mild increases, however, is also confirmed by Librascope, Inc., of Burbank, California—makers of computers and computer components.

"Because this field is moving so rapidly and requirements are getting stiffer all the time," notes branch sales manager, Mike Hirsh, "There will probably be some increases. But I doubt that any particular product will go up more than 5%."

**Containers and packaging**—Higher metal container prices (from 1% to 3½%) have already been announced. And these prices will hold through 1961, except for any increases in the price of plate or freight.

The situation is different in paper. Here competition is expected to remain sharp.

"There's not much chance of boosts in corrugated products because of oversupply," comments the sales manager of one of the Southeast's largest paper companies. He adds, "it means that

price shading and undercover discounting will continue—despite the fact that we expect a rise in cost of 3% to 4%."

A top executive of Chicago's Stone Container Corp. is not quite so pessimistic. He thinks a "9% increase should help the firm's price structure in 1961."

**Other metal working**—One big Cleveland metal stamping firm anticipates "there will be more pressure to pass on increases in fringe costs and steel prices. If the price increase could be timed properly to coincide with the increase in the price of steel, the increase in labor costs, and a rise in demand—then we no doubt, will be successful in raising prices."

In other areas—cast iron pressure pipe, pipe fittings, and steel tubing—producers are hopeful of some increases. Notes S. D. Moxley, president of the American Cast Iron Pipe Co., Birmingham—"Cost increases in the second half of 1961 may force a \$2 ton increase on a \$125/ton product."

**Oil country equipment**—Price shading still is a serious problem with many of the firms. R. E. Reimer, executive vice-president, Dresser Industries, Dallas, complains: "We have had problems with unofficial discounting and price shading—and this will continue until business improves. Everyone is so eager to get that order that all kinds of concessions are made."



## Impact of Imports Spurs Industry In New Campaign to Buy American

(Continued from page 1)  
ington said Senate GOP Leader Everett M. Dirksen, who proposed a similar commission study last year, indicated the proposal would be raised again next year in the Senate Commerce Committee.

The National Electrical Manufacturers Assn. Also noted the effect of battery imports. NEMA's Dry Battery Section, noting a sharp rise in Japanese battery imports last summer, inaugurated an industry-wide educational program to counter the foreign imports. It created a Battery Information Committee to implement the program by developing manufacturing and marketing data on imported batteries.

The electronics industry booklet was distributed by the EIA's Tube and Semiconductor Div. Entitled "Plus Values," it lists these benefits from domestic purchases:

- Shipments are not subject to the hazards and uncertainties of overseas transportation.
- Localized production stoppages will not shut off component supplies.
- Emergency shipments can be handled speedily.
- Capital funds which might be tied up in inventory become available for other purposes.

- Service space is freed for more productive use.

- Engineering and laboratory facilities are close at hand.

The booklet also contends that economic benefits of a healthy industry also are shared by distributors where plants are located. This includes the buying power of payrolls of 48,000 employees, annual purchases of \$250-million in materials and services, and credit in the form of open account billing averaging about \$150-million.

Division Chairman William J. Peltz, vice president of Philco's Lansdale Div., said:

"The impact of foreign com-

petition is bound to be felt throughout the electronics industry. Thousands of jobs in the U.S. industry already have been lost to foreign producers paying wages a fraction of those received by American workmen. In the Chicago area alone, according to a report to EIA from a labor union official, foreign imports have been the primary cause of a 20% decline in employment among 14 electronics manufacturing companies."

## Wage Boosts May Spark Oil Industry Price Hike

(Continued from page 1)  
that any general across-the-board product price boost would stick.

At Sinclair, for instance, there was hesitancy about raising prices. A Sinclair spokesman said last week no plans for price increases were in the works at the time, stating that the company "will attempt to offset the increase by producing more efficiency."

### Distillates Most Likely

Any increase would run approximately 1¢ per gallon for gas and distillates and 5¢ to 10¢ a

barrel for residual, industry sources said.

Distillates seem to be in the best shape to be priced higher, although they had already been hiked roughly 1/2¢ gal. in the Midwest, East and Southeast just prior to the wage settlements. If the weather continues cold, the distillate supply-demand picture is such that still more increases might click.

Oil marketers have their doubts, however, about residual and gasoline. Imports are a big factor on the residual picture, and gas-

oline sales are now in their "off season."

### The Weather Problem

Oil men point out they are still faced with their historic fluid supply-demand problem in attempting to recover higher operating costs through product price increases. A warming trend, for instance, could throw the distillate picture into one of oversupply in a matter of days. That, in turn, would cause a mad scramble for customers which would quickly drop prices.



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## New Alcoa Plant Starts Output of Die Castings

Edison, N. J.—Aluminum Co. of America started operations last week at its new aluminum die casting plant here, claimed to be the most modern in the world.

The Edison plant, which combines die casting and permanent mold production, is expected to become a key supplier to the automotive, aircraft, building, electrical, office equipment, and appliance industries, Alcoa pointed out.

The plant, which is slated for full operation by spring, will gradually supplant Alcoa's die casting works in Garwood, N. J., and the company's Bridgeport, Conn., permanent mold foundry. Both older plants will cease production sometime next year.

Initial operations at Edison are being limited to production on several die casting machines. Additional facilities will expand its operations to produce permanent mold castings.

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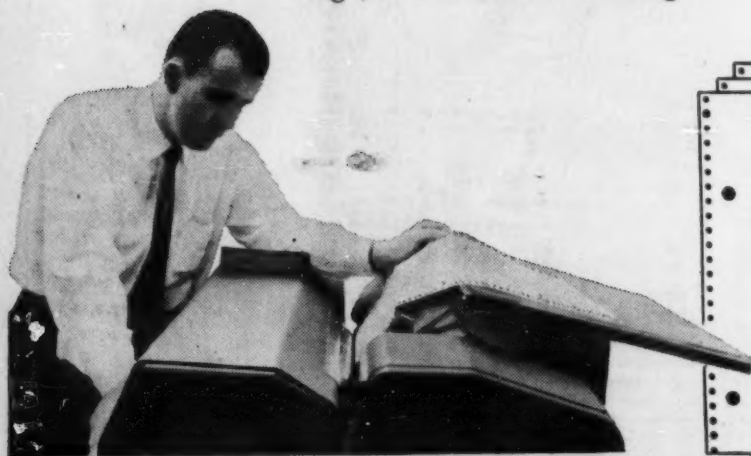
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